

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, December 6, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct Honourable Members' attention to the gallery, where we have with us this afternoon from the Garden Valley Collegiate twenty Grades 11 and 12 students under the direction of Mr. John Pankratz. This school is located in the constituency of the Honourable Minister of Rural Development (Mr. Penner).

Also this afternoon, from the Ste. Rose Collegiate, we have forty Grade 9 students under the direction of Mr. Larry Menec. This school is located in the constituency of the Honourable Minister of the Environment (Mr. Cummings).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Public Utilities Board Manitoba Hydro—Capital Projects

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, the First Minister (Mr. Filmon) and the Premier of Ontario will be meeting tomorrow morning to sign a significant deal for Manitoba. Although we hope the project will bring to this province all of the benefits we have been hearing, history has proven that energy projects of this magnitude sometimes fall short of expectations.

The First Minister is reported as saying that the project will mean reduced rates for Manitoba consumers, although, Mr. Speaker, that is somewhat ironic in that at the present time Hydro is before the Public Utilities Board for a 5.5 percent increase in rates.

We have asked the Minister responsible for Energy in the past if he would refer the contract to the Public Utilities Board for its own assessment of what the project will mean to the people of the province and he has refused that request.

Will the First Minister now reconsider our request and the request of the Chair of Manitoba Hydro and submit this deal immediately to the Public Utilities Board for an opportunity to determine whether this deal is in the best interests of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I want to just make sure that we correct information put on the record by the Member for River Heights (Mrs. Carstairs) because it is important that we not begin by misquoting people.

Mr. Speaker, what I did say was that as a result of this sale, Manitoba customers would pay less for their

electricity than they would have without the sale. I did not say that this would reduce the rates in the province. It is very important, and she may want to read Hansard and reflect on what the meaning is of that term. The fact is that Manitoba customers will benefit as a result of this sale because their rates will be lower than they would have been without the sale.

The second thing I want to do is I want to thank her for raising the issue so that I may extend to all Members of the Legislature the invitation to be in Room 200 of the Legislative Building tomorrow (Thursday) at 10 a.m. where Premier Peterson and I will be indeed meeting to make a formal announcement, which I know will be of interest to all the people of Manitoba because it will trigger the largest economic development initiative in the history of our province.

Mr. Speaker, as a result of the commitment of this Government to openness, to assurance of the public's ability to scrutinize the affairs of Manitoba Hydro, the capital plans of Manitoba Hydro will be brought before the Public Utilities Board. All aspects of their capital development program, including the plans to develop Conawapa and the major transmission line, will be a topic of scrutiny so that all those can come forward with their expert advice, with lawyers, with economists, with whatever they want, so that they can examine the operations of Manitoba Hydro, including their capital plans, and be assured themselves of how good a deal this is for the future of this province.

* (1335)

Mrs. Carstairs: Mr. Speaker, we thank the First Minister for that reply and we believe that the process of going before the Public Utilities Board will be the most open and therefore most effective in terms of delivering service to the Province of Manitoba.

Funding Increase

Mrs. Sharon Carstairs (Leader of the Opposition): Can the First Minister indicate if additional resources will be made available, financial resources, to the Public Utilities Board in order for them to call on witnesses and to provide expert advisors outside of Manitoba Hydro in order to fully develop the full concept of these plans?

Hon. Gary Filmon (Premier): Mr. Speaker, the Member for River Heights (Mrs. Carstairs) may recall that as part of the process of adding funds for the Public Utilities Board, some 600 and some-odd thousand has been approved for additional funding for the enhanced and expanded role of the Public Utilities Board.

Part of it is for additional hearing capacity so that they can have more hearings on a whole range of issues that they were not responsible for previously. Also I know that from consultation with the Minister

responsible that the Public Utilities Board of course has expressed the desire to ensure that if they need particular expertise to evaluate any of the things they are now evaluating, that they have not done in the past, that will be available to them.

They are not restricted in any way from hiring whatever expertise they believe is necessary in order to do the most thorough and complete evaluation to satisfy themselves of the veracity of the applications that are being put forth.

Conawapa Project Environmental Impact Study

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, the First Minister has also assured us good policy making, that a full environmental impact study of this project will be conducted. The preliminary plans have already been completed and the ground has been cleared to build the cofferdam.

Can we expect the environmental impact study to begin prior to any further development of this site and any other site associated with the dam?

Hon. Gary Filmon (Premier): Mr. Speaker, I cannot say that I am totally familiar with the time frames in the process, but I think it is sufficient to say that we intend to have a very thorough environmental impact assessment with public hearings so that there will be public input.

I would also say given that this a run-of-the-river plant, and we are not talking about major flooding that goes beyond the banks or alterations to much of the environment surrounding it that I would think that she would, I would hope she would, recognize that Manitoba Hydro can do certain things that are not going to alter the flows or alter the environmental impacts short of the major construction.

Let us understand that it is not intended that the major civil contract be awarded until 1994. So in terms of major civil works there is not an intention to be moving in there and moving large quantities of earth or materials or constructing any major works before 1994.

I believe that within that time frame all of the environmental assessment and review process will be able to be adequately completed so that there are not long-term effects, by virtue of the preliminary planning and the preliminary work that Hydro does, will not cause long-term major effects.

Environmental Interveners Funding

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, yesterday in Estimates the Minister for Environment (Mr. Cummings) said, I am not convinced that funding for environmental intervention or funding for intervenors on environmental issues at this point in history is not something that I am prepared to consider.

Can the Minister of the Environment tell the House today how he believes that northern Indian Bands will

be able to prepare themselves for proper interventions in an environmental impact study if there are no funds forthcoming for such a study?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the jurisdiction which is responsible for the bands that the Member refers to is under the jurisdiction of the federal authority. I think it should also be made quite clear that the evaluation process of an assessment that is brought forward is carried out through the expertise in the offices of the Department of Environment to be sure that we correctly evaluate what the proponent has brought forward.

* (1340)

Mrs. Carstairs: This Government has a clear record of not wanting to intervene in projects of deep interest to the Province of Manitoba. Is it not of this Government's belief, and will they not act on this belief, that those who can be adversely affected, those Manitoba citizens who happen to be Native, should indeed be able to participate in any environmental impact study done on this project? The only means by which they can is if this Government provides funding.

Mr. Cummings: It has always been the approach of the Clean Environment Commission that people can come to the hearings and do not need to be assured that they have to have legal support and all of the other trappings of formal hearings. They have always welcomed citizens to come forward with their concerns at the hearings.

I will undertake today to tell this Legislature that we will make the hearings as accessible as possible so those who have concerns will have an opportunity to be heard.

Mrs. Carstairs: Mr. Speaker, I have a final question to the Minister of the Environment. Environmental impact studies should be by their very nature very well documented and researched. The implications upon the communities can only be verified, can only be attested through, by expert witnesses. Expert witnesses and good research costs money. Why will this Government not make a commitment that those bands, those lands, adversely affected by any development, can have proper representation before an environmental impact study? That proper representation requires funding by this Government.

Mr. Cummings: Mr. Speaker, it is unfortunate that the Leader of the Opposition (Mrs. Carstairs) chooses to misrepresent the process upon which we are about to embark. If she somehow implies that the Clean Environment Commission will not be prepared to hear those people who have concerns about this project, hear them openly, willingly and allow them to express their opinions before the commission, then she is totally misrepresenting the process.

She said that the environmental assessment must be technical. It will be done by the proponent. The proponent will have to provide all of the technical backup for the proposal that it puts before the Clean Environment Commission.- (interjection)-

Mr. Speaker: Order, please. Order.

Mr. Cummings: Well, the born-again green from the back bench of the Liberals says, back up with the cheque book again.

Mr. Gary Doer (Leader of the Second Opposition): We would hope that the new funds in the new Environment Act could be used effectively for intervening groups just like the Victims Assistance Program, where victims of crime and the fines thereof were used for people. I think environmental fines should be used for environmental groups to protect our environment.

Manitoba Medical Association Final Offer Selection

Mr. Gary Doer (Leader of the Second Opposition): I have a different question to the First Minister (Mr. Filmon). There is a potential, and hopefully not an actual, doctors' strike looming in the Province of Manitoba.

The Minister of Health (Mr. Orchard) is on a collision course with his unilateral proposals. We respect the right of the Minister to be firm on behalf of taxpayers, but we do not expect or respect a radical change in the way in which patients relate to their health care providers through their doctors in this province.

My question to the First Minister (Mr. Filmon) is - (interjection)- and it follows upon the Liberals' call to provide arbitration in collective bargaining for doctors, arbitration they are prepared to vote with the Chamber of Commerce and Tories to get rid of. My question to the First Minister is, in light of the fact that the MMA supports final offer selection and is in a potential strike situation, would the Premier now reverse its position and withdraw the final offer selection legislation that would allow doctors another alternative to strike to resolving the dispute with the Government?

* (1345)

Hon. Gary Filmon (Premier): Mr. Speaker, when the Member for Concordia (Mr. Doer) talks about collision courses with the doctors he speaks from great experience. Mr. Speaker, throughout the six and a half years that the NDP was in Government the doctors were in collision with the NDP over and over and over again.

It did not matter whether the Minister was Larry Desjardins, it did not matter whether the Minister was Wilson Parasiuk. Every time they were on a collision course. The proof of that is that the settlement of this current existing contract took place 11 and a half months after the expiration of the previous contract with the doctors. We are talking four months ahead of time about trying to resolve an issue with the doctors. We are still trying to work in good faith with them and committed to do that, Mr. Speaker. They were not able to do it until 11 and a half months after in the middle of an election campaign.

One thing I will say is that our position with respect to compulsory binding arbitration is exactly the same

as the NDP's position was when they settled the last agreement with the doctors. That is that it is tantamount to signing a blank cheque and inviting an independent arbiter or somebody else to fill in the amount with nobody acting on behalf of the taxpayer of Manitoba. We will not do that, just ask the New Democrats, we would not do that because it would not be responsible.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Member for Concordia.

Mr. Doer: Mr. Speaker, the Premier continues to misrepresent what happened in the past. There was no strike and there was a three-year collective agreement signed by both parties.

An Honourable Member: Eleven and a half months after the other one expired.

Mr. Doer: That is right, because we were negotiating a three-year agreement.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please. The Honourable Member for Concordia.

Mr. Doer: The issue here is patient care, it is not collective bargaining. The doctors have stated - (interjection)- I know they are a little sensitive siding with the Chamber of Commerce and the Conservatives about this Legislation. The doctors have stated that in the most vital and critical services which all Manitobans depend on, practical alternatives to settle these impasses should be available.

Therefore the Manitoba Medical Association is supporting the final offer selection because they know the practical solutions can be reached at the bargaining table without patients having doctors withdraw their services and putting them in jeopardy in this province. Would the Premier now not consider the advice of the Manitoba Medical Association, given they are on a collision course, to withdraw this legislation? Hopefully if they do not withdraw it the Liberals will vote with the New Democrats to defeat the legislation.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable First Minister.

Mr. Filmon: Mr. Speaker, I am sorry I am intervening in this lovers' quarrel between the Liberals and the NDP.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please. I am sure the Honourable Member for Concordia would like to hear an answer to his question. The Honourable First Minister.

Mr. Filmon: Mr. Speaker, the fact of the matter is that many people, including unions and union leaders,

believe that final offer selection is an unfair and unwarranted intervention in the collective bargaining process. Approximately a third of the unions in Canada have gone on record as being opposed to it. Major unions such as CUPE, organizations such as the nurses and so on have gone against final offer selection because they believe as we do that it is an unwarranted intrusion in the free collective bargaining process.

As somebody who is a supporter of the free collective bargaining process, I believe that the Member for Concordia (Mr. Doer) ought to listen to some of these very, very intelligent and far-sighted leaders of unions across this country who have spoken out against FOS. That is why we on behalf of Manitobans are withdrawing it and repealing it.

* (1350)

Manitoba Women's Agenda Final Offer Selection

Mr. Gary Doer (Leader of the Second Opposition): I would then ask the Minister for the Status of Women (Mrs. Hammond), has she communicated to her Cabinet colleagues the fact that 36 women's organizations making up the Manitoba Women's Agenda - (interjection)- well, the Liberals laugh again. They are going against women in this province again on final offer selection. Thirty-six organizations of the Manitoba Women's Agenda passed the resolution calling on the Government to withdraw their legislation because it was anti-women, anti-workers.

Has the Minister passed that on to her colleagues and will they reconsider their final offer selection and their attempt to repeal final offer selection in this province with the support of the Liberal Party against women in this province?

Hon. Gerrie Hammond (Minister responsible for the Status of Women): Mr. Speaker, I do not think for one minute that withdrawing final offer selection will hurt women in Manitoba at all. It will help them in the long run because they will get fair collective bargaining.

Mr. Doer: That is the same answer we received when she repealed the cancer-causing goods in the workplace legislation and regulations. Oh, it is good for workers to have more cancer-causing goods in the workplace, something you have not repealed yet I might add.

My question is to the Minister responsible for Labour and the Minister responsible for the Status of Women (Mrs. Hammond). Does she not think that the 36 women's organizations have passed a resolution calling on the Government to withdraw the repeal of final offer selection? Did she think all those women's organizations were wrong and her soul colleagues in the Cabinet are right to repeal this legislation on behalf of working women?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Member's question seeks an opinion, therefore out of order. Kindly rephrase your question, please.

Mr. Doer: Would the Minister please reconsider the decision of the Government in terms of repealing the final offer selection and consider the advice given to her by 36 women's organizations in this province, including the Coalition of Rural Women, the YWCA, immigrant women's associations and the Manitoba Action Committee on the Status of Women? Would she reconsider it and withdraw this legislation?

Mrs. Hammond: Mr. Speaker, we have this piece of legislation before the House because we believe it is better for the workers of Manitoba and that includes the women of Manitoba.

Health Care Funding Out-of-Province Treatment

Mr. Gilles Roch (Springfield): My question is for the First Minister (Mr. Filmon). On November 21, I asked the Minister of Health (Mr. Orchard) a question, which he took as notice, on the very critical condition of 15-year-old Todd Dust of Oakbank, Manitoba. The Dust family has now patiently waited for over two weeks for a response.

Can the First Minister now indicate whether or not the very necessary financial compensation rightfully due to them will be forthcoming?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I am pleased to be able to answer this question on behalf of the Minister of Health (Mr. Orchard).

First of all, I would like to point out that the Member for Springfield (Mr. Roch) did receive a reply with regard to the status of this situation from the Minister of Health on November 9 outlining the procedures that have been followed with regard to addressing this situation. Indeed, I have to indicate that the Minister of Health is very cognizant of the whole situation and has acted in a very prudent and a very caring way.

Mr. Speaker, I have to indicate that according to policy MHSC would pay 75 percent of all hospital costs that are incurred outside of the province if those services are not available within the province. To date the total bills that have been received have been somewhere in the neighbourhood of \$13,900 of which the total amount paid so far has been \$4,100 for the hospital and medical care, and the transportation of \$5,900 has been paid. That, I might indicate, is a new approach that has been undertaken by this Government with regard to paying out-of-province transportation costs. That came into effect on April 1. Since then there were 10 trips taken by the family and this amounted to \$5,900.00. In addition, \$1,900, or approximately 50 percent of other costs, have been paid for because of the hardships of the family that have been identified.

* (1355)

Moreover, Mr. Speaker, and finally it has been indicated by the physician from Minneapolis that follow-up services for this individual can be obtained here in Manitoba. Under those circumstances, Manitoba Health would be obliged and would normally pay for all costs that would be incurred in that way.

Health Care User Fees

Mr. Gilles Roch (Springfield): Mr. Speaker, the letter that the Minister talks about, I referred to when I questioned the Minister on November 21. At first the Minister of Health (Mr. Orchard) said he was unaware of the circumstances. Then I replied that he had written on it. The Minister's reply is almost verbatim, what the Minister wrote, and is what I would call a form letter.

An Honourable Member: A form letter?

Mr. Roch: My question either to the First Minister or the—yes, a form letter. It was almost verbatim—

Mr. Speaker: Order, please.

Mr. Roch: —as if it was written for a brochure—no sensitivity whatsoever in this Government. Mr. Speaker, to either the First Minister —(interjection)— The Leader of the NDP laughs at this very critical condition. It is a matter of life and death. It is not funny at all.

Mr. Speaker: Order, please. The Honourable Member for Springfield (Mr. Roch), kindly put his question now, please.

Mr. Roch: My question to the First Minister (Mr. Filmon) or the Acting Minister of Health is, given the fact that it appears that user fees are being forced upon this family by this Government—this goes against the principle that all Manitobans should have access to proper health care services without suffering any financial hardships—is this Government prepared to ensure that never again will people such as the Dust family have to face the possibility of bankruptcy due to the Scrooge-like attitude of this Conservative Government?

Hon. Gary Filmon (Premier): Mr. Speaker, I will repeat for the benefit of the Member for Springfield—and I regret that he is attempting to use this very serious case and this unfortunate case for his own political purposes in Springfield.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Speaker: The Honourable Member for Springfield, on a point of order.

Mr. Roch: This situation has been going on for almost three years. It has been kept—

Mr. Speaker: Order, please.

Mr. Roch: —in private for the last seven months. It is not being done for cheap political—

Mr. Speaker: Order, please. The Honourable Member—order, please. The Honourable Member does not have a point of order. The Honourable First Minister.

An Honourable Member: He laughs.

Mr. Filmon: I am not laughing—

An Honourable Member: Yes, you are.

Mr. Filmon: I am smiling at you because—

Mr. Speaker: Order, please. I would remind Honourable Members that questions should be put through the Chair and answers through the Chair. The Honourable Member for Springfield, on a point of order.

Mr. Roch: Because I have brought up this issue, the First Minister calls me a fool. I would like to ask him to apologize. I do not believe I am a fool for caring about my constituents.

An Honourable Member: Hear, hear!

Mr. Speaker: Order, please. The word "fool" is not an unparliamentary word. It does nothing for the decorum of the Chamber. Order, please.

Mr. Speaker: The Honourable First Minister, please reply.

Mr. Filmon: Mr. Speaker, I will repeat, the total bills for both medical services and transportation that have been submitted by the Dust family to MHSC for \$13,900, MHSC paid all but \$2,000 of that \$13,900 in bills.

* (1400)

The physician who has been treating the young child in Minneapolis has indicated, and we have it in writing, that the follow-up treatment can be provided in Manitoba for this. All of that is known to the Member for Springfield (Mr. Roch).

MHSC has gone so far as to allow for the choice of whichever of the audiologists—if they are not satisfied with one, they may choose any of the other audiologists that have been recommended to them. The treatment is provided for and will be paid for by MHSC, by the Health Department of the Province of Manitoba, for follow-up of this. All but \$2,000 of the bills that have been submitted, some \$13,900, have already been paid for by MHSC.

I ask the Member for Springfield to consider that and to consider what he is attempting to make of this situation, Mr. Speaker.

Health Care Funding Out-of-Province Treatment

Mr. Gilles Roch (Springfield): Mr. Speaker, the facts of the situation are that this family is close to \$30,000 in debt because of this case. Those are facts, and the figures are there. In light of those facts, is this Government prepared to do whatever it can to help alleviate the situation that this family has experienced, because the facts are that they were referred to

Minneapolis to get the necessary health care which was unavailable to them, contrary to what the First Minister has said.

Hon. Gary Filmon (Premier): I will read from the letter which MHSC received from the Minneapolis specialist who has been treating the patient. Quote: I am sure that there is someone in the province who would be available to do this on a regular basis and I think it would be appropriate management. They are referring -(interjection)- That is right, that is exactly what the physician has said in writing to MHSC.

Mr. Speaker, that is something the Member for Springfield (Mr. Roch) may want to follow up on and may want to look into before he pursues this further.

Suicide Rate Analysis

Mr. Paul Edwards (St. James): My question is for the Minister of Justice (Mr. McCrae). In the recently tabled Medical Examiner's Report there are shocking statistics about suicides in Manitoba. We in Manitoba have the third highest suicide rate in the country, but of perhaps greater concern, our suicide rate has been on the increase every year since 1984.

Given these extremely disturbing statistics and the trend, has the Minister of Justice further analyzed these statistics with a view to finding the causes in dealing with what is clearly a growing problem in this province?

Hon. James McCrae (Minister of Justice and Attorney General): The Chief Medical Examiner provides an analysis in his annual report with respect to suicides being on the increase. Of course that is a very serious matter the Honourable Member raises. The best way to approach these matters is certainly to put emphasis, as the Minister of Health (Mr. Orchard) is doing, for example, on drug and alcohol abuse. For my part, I suggest to run a justice system that meets the needs of society. If the Honourable Member has specific suggestions I would be delighted to hear them.

Correctional Institutions

Mr. Paul Edwards (St. James): Indeed in the report there are specific recommendations for the Minister of Justice. Let me reference one in particular. We know that suicide in our jails is unfortunately an all too common event. One of the recommendations made following a suicide at Headingley Jail in 1987 was, and I quote, that at all correctional institutions, remand centres and lockups, the staff be adequately equipped with rescue knives and that staff members at all correctional institutions be certified in CPR. Can the Minister assure Members today that this has indeed been achieved and if not, why not?

Hon. James McCrae (Minister of Justice and Attorney General): Our Corrections Division is attempting to bring itself up to date. I suggest that many areas in the Department of Justice—and as it then was the Department of Community Services and the Department

of Justice, or the previous Attorney General's Department—were not given the kind of priority attention that they perhaps needed in the past, but I think the Honourable Member will find when we get to the Estimates of the Department of Justice that our department is far better funded than it has been in the past in order to help us make up for past neglect in the department and that we will be moving forward as the Corrections Division is already moving forward with better training programs for staff in Corrections.

Mr. Edwards: I have to gather from that answer that the answer is no to the question.

Chief Medical Examiner 1988 Annual Report

Mr. Paul Edwards (St. James): Let me ask the Minister, given that the recently tabled report was for 1987, does that not give this Minister some cause for concern? Given that the recommendations follow on inquests which have been done in that year, why do we not have the 1988 report at this time? Why are we a year behind on these very serious recommendations which we need to act very swiftly on?

Hon. James McCrae (Minister of Justice and Attorney General): The Honourable Member is raising questions in his first two questions which certainly would make for a proper discussion in the Estimates process.

I suggest he look carefully at the new Bill introduced by this House, or by this Government, respecting The Fatality Inquiries Act which will provide significant improvements for the Chief Medical Examiner. By learning what we can about deaths that take place in our province there are measures that can be taken to help prevent further similar occurrences in the future, but I do look forward to a discussion of this matter in Estimates, which is the appropriate place, with the Honourable Member.

Manitoba Telephone System Jurisdictional Control

Mr. John Plohman (Dauphin): It has been weeks now since the federal Government announced its massive intrusion into the provincial jurisdiction insofar as the communications and telephones industry are concerned, and a number of weeks I believe since the Minister went to Ottawa and the federal Minister, Marcel Masse, refused to meet with him on this issue.

The potential impact on rural telephone service and remote telephone service in this province can be devastating in terms of lost revenue. I ask the First Minister (Mr. Filmon) whether the Government has undertaken an analysis of the impact of this measure on the rural telephone services, and whether the upgrading program, enlarging of calling areas, will be able to proceed in this province if this measure goes ahead as planned by the federal Government?

Hon. Gary Filmon (Premier): Mr. Speaker, on behalf of the Minister responsible for Telephones (Mr. Findlay), I will take that question as notice.

Mr. Plohman: I am amazed that the First Minister, the Premier of this Province, does not have that information on an issue so significant to rural and remote areas of this province and indeed all Manitobans.

I ask this Minister whether, in view of the fact that the Saskatchewan Government has estimated a loss of revenue of some \$42 million per year, an increase initially of 40 percent on local telephone rates because of this intrusion, whether this Government has undertaken those studies to determine what the impact will be on local rates and on lost revenue to the Manitoba Telephone System, and whether they will table that information in this House?

Mr. Filmon: I remind the Member for Dauphin (Mr. Plohman) that this Government opposed the unilateral takeover of jurisdiction for the telephone systems in Manitoba and across the prairie provinces. This Government got together with the other provinces to have a joint effort to fight Ottawa against that takeover. The Minister responsible went to Ottawa with his colleagues from the other prairie provinces and succeeded in convincing Ottawa to back off.

* (1410)

All of those things have been done in the interests of the people of Manitoba to protect the interests of the ratepayers of the Manitoba Telephone System.

All-Party Committee

Mr. John Plohman (Dauphin): Mr. Speaker, where is the backing off? I ask this Minister, in view of the fact that quiet lobbying is not doing the trick insofar as representing the interests of Manitoba that there must be a more massive campaign, will the First Minister (Mr. Filmon) agree at this time to convening a committee of this Legislature to meet with the Minister, Marcel Masse, the Minister of Communications, and ask him to explain his actions and to answer questions on behalf of Manitobans from all elected representatives in this House?

Hon. Gary Filmon (Premier): Mr. Speaker, the Member for Dauphin is about a month late as usual. He is attempting to fill in his time in Question Period on an issue that is already being looked after by the Minister responsible for the Telephone System (Mr. Findlay).

The federal Government has agreed not to call that Bill. The federal Government is in consultation with the prairie provinces with respect to alternatives to the unilateral takeover that they had announced.

Court of Queen's Bench Act Amendments

Mr. Bob Rose (St. Vital): Mr. Speaker, my question is to the Minister responsible for the Manitoba Public Insurance Corporation (Mr. Cummings).

The senior communications officer for MPIC, Mr. Brian Gearey, has suggested an amendment to The Court of Queen's Bench Act to hear cases in Small Claims Court

where there is no damage to a vehicle, but the driver has been assessed liability. Has the Minister discussed the feasibility of this amendment with the Minister of Justice (Mr. McCrae)?

Hon. Glen Cummings (Minister responsible for The Manitoba Public Insurance Corporation Act): As a matter of fact, that particular suggestion is under discussion. The Member did not read the rest of the letter to the editor, because it also referred in there to the fact that there may be other methods which would be equally as effective that could very expeditiously deal with the question of determining what the liability, responsibility, might be where there is a dispute between the assessors of MPIC and the customers. He should read the rest of the letter.

Mr. Rose: Mr. Speaker, I have been in this House a while now. I have never seen such a convoluted answer yet. That is really a dandy.

Autopac Internal Inquiry

Mr. Bob Rose (St. Vital): I have a question to the same Minister. Last week Autopac -(interjection)-

Mr. Speaker: Order, please. The Honourable Government House Leader, on a point of order.

Hon. James McCrae (Government House Leader): I cannot help but agree with the Honourable Member that the Minister's answer was a dandy, as have all the answers been made by Honourable Members on this side of the House.

On the point of order, it is really not appropriate for the Honourable Member to refer to the high quality of the answers being given in this House by the Ministers on this side.

Mr. Speaker: The Honourable Government House Leader does not have a point of order.

Mr. Speaker: The Honourable Member for St. Vital, put your question, please.

Mr. Rose: Mr. Speaker, I apologize. I did not comment on the high quality of any answer.

Last week Autopac confirmed that as a result of an internal inquiry in the department into expense accounts, two investigators quit and one was fired from Autopac. Have there been any further separations as we have heard and are any charges anticipated in these cases?

Hon. Glen Cummings (Minister responsible for The Manitoba Public Insurance Corporation Act): I have the precise figures here. The Member has raised this on a number of occasions, on one occasion in particular

in the public media, trying to give the impression that there was some sort of a conspiracy or some kind of a massive case of wrongdoing that had occurred within the corporation. I would take the opportunity to rise in the House to tell you that the amount of money that was involved in both of the resignations was much less, it was under a hundred dollars.

Certainly, the people who have chosen to leave, it is quite within their own affairs to do so, but I think that the Member should not leave the impression that the corporation has suddenly found a great black hole. They have however made it very clear that they will not condone anything that appears to be anywhere near the edge of what is correct.

Mr. Speaker: The time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Would you call the Bills in the following order: Bill 34 and Bill 53. Should those be passed at second reading, by leave, we could then go to Bills 34, 53, 86 and 27 in Committee of the Whole. Then, by leave, we could move to Report Stage of Bills 34, 53, 86 and 27. Following those Bills, Mr. Speaker, Bills 67, 79, 31, 7, 12, 38, 71, 62 and 69.

DEBATE ON SECOND READINGS

BILL NO. 34—THE LOAN ACT, 1989

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 34, The Loan Act, 1989; Loi d'emprunt de 1989, standing in the name of the Honourable Member for Logan, the Honourable Member for Logan.

Ms. Maureen Hemphill (Logan): Mr. Speaker, Bill No. 34, The Loan Act, allows Members of this House an opportunity for a general debate on the policies of this Government and on those policies and programs that the Government should make a priority when reviewing their expenditure authority.

I want to use this time to talk about an area that is badly in need of attention, badly in need of additional money, and badly in need of recognition of the importance of maintaining what is really the heart and soul -(interjection)-

Mr. Speaker: Order, please. I am having great difficulty in hearing the remarks of the Honourable Member for Logan. I would like also at this time to remark to the Honourable Member for Logan that she talk of the general policy of this Government as it relates to Bill No. 34. I would like to remind the Honourable Member that Bill No. 34 deals specifically with the expenditure authority of this Government, not with a policy of the Government. The Honourable Member for Logan.

Ms. Hemphill: Thank you, Mr. Speaker, I appreciate the reminder. I do want to talk about the expenditure authority and where they are spending the money and where they are not spending the money. The picture

that I want to draw this afternoon is that there is an area and are critical issues that are not being addressed by the expenditures that are being set by this Government. They are choosing to put money in some places that may be important, but they are choosing to ignore other areas that are critically important and for which we are all going to suffer if there are not some changes made in those authority expenditures.

Mr. Speaker, I want to talk about the heart and the soul of our city, the City of Winnipeg, and the deterioration that is being faced by the City of Winnipeg because of lack of attention, lack of money going into housing, lack of money going into employment, lack of money going into support for single-parent families, the difficulties that those who are already below the poverty line are facing because this Government is not recognizing the seriousness of the issue and is not putting those expenditures in the right place.

When we are looking at the City of Winnipeg we are looking at a trend that I think is important to recognize across North America because we are soon going to lose having sufficient people to provide the tax base to continue the programs that we want to continue, the social service programs, the education programs. We, like all other areas in North America, are facing a very, very serious increase in senior citizens, a very significant increase, about an 11 percent increase, of those in the senior citizen age, while there is a 3 percent decrease in the population below 20.

When you add to that the fact that the middle-income group is disappearing, that the rich income group is increasing, but slightly, and there is a tremendous increase in those who are living below the poverty line and in the poor, you add to that the fact that our immigrant population in the City of Winnipeg, unlike other major cities, is going down.

* (1420)

Mr. Speaker, the groups and the populations that are increasing in the City of Winnipeg are those that are most disadvantaged, the immigrant, the Natives, the single parent. When you look at all of those trends, I think we have a very serious, critical situation on our hands that has to be addressed by the expenditure authorities put forward by this Government.

I am hoping that after I paint the seriousness of the issue, the picture for them of the serious decline in the inner city, that they are going to reverse some of those decisions and start putting more money into housing, into people of the inner city and into those groups that are the most disadvantaged who are increasing significantly in numbers and who are not being supported adequately by this Government.

When I mentioned the increase in the subpopulations, and I know the Minister of Northern Affairs (Mr. Downey) is going to be interested in this, because the increase in the Native population in a six-year period was 70 percent, this shows something that is very serious. It is a mass exodus of Native people, Native families from the reserves into the City of Winnipeg. Many of them are doing that because they are being forced off the reserves, I think literally being forced off the reserves

by the policies of the federal Government where there is no hope for them. Unemployment rates are running at 95 percent, 100 percent.

Talking about suicides, and the increasing rate of suicides in Manitoba, one of the most significant groups that are facing increased suicides are young people. In northern communities the suicide rate is at an absolute crisis proportion. Sadly, once again this is largely one of our best resources, and that is the young people in our province, Mr. Speaker.

The Native population is increasing incredibly in the inner city and it actually is becoming the largest reserve in the Province of Manitoba. We have 20,000 Native families in the inner city. When they come in all the things that they have left behind them that they are trying to get away from, which is totally inadequate housing, poor housing, an inability to provide adequate shelter, high, high unemployment rates, lack of education, all of those things exist in the place that they have gone to, to find a better opportunity for themselves and their families.

If we do not begin to reverse these trends there are going to be drastic measures begun to be taken, maybe not this year, maybe not next year, but certainly in the next decade or so by these groups who are no longer going to be able to tolerate the inadequacies and the difficulties of the position that they find themselves and their children in.

One of the points I have mentioned before is the decline in the immigrant population in Winnipeg. Although the immigrant population has remained fairly stable there are certain groups that are growing significantly, and one is the Asian immigrant population which increased by 31 percent in a six-year period. The number of single parents in the city increased by 17 percent in that same period. If you add just those two alone, then the combination of these two phenomenon could lead to an eventual drastic situation.

To look at the expenditures of this Government for instance, Mr. Speaker, they have done nothing to support parent-child centres in the inner city. In fact, they are allowing, because of some sort of technicality, parent and child centres in the inner city to go down the tube, to go out of business. They are looking at a 17 percent increase in the inner city for single parents, people who are largely young women who have a low education, who have no support to help with the child, usually no extended families, no husband, poor education, living in deplorable housing, and with no hope to get themselves or their children out of this incredible poverty cycle.

(Mr. William Chornopyski, Deputy Speaker, in the Chair)

One of the organizations that set up in the inner city, one of the best grass-roots services provided to these single parents has been let decline by the lack of this Government, either through Community Services or through Education being willing to continue funding so that they could continue to help those mothers get out of that poverty cycle because we do not want the 5,000 mothers, single-parent mothers, in the inner city to stay dependant for the rest of their lives. We need them.

In fact, you are going to see by other statistics that I show, you are going to see that we need to bring them into the labour force, as we need to bring Natives into the labour force, as we need to bring immigrants into the labour force, as we need to bring the unemployed into the labour force, because if we do not we are not going to have an adequate enough labour force to carry the financial burden that this province is presently putting forward in this House by telling us what they intend to spend the money on and, more importantly, what they do not intend to spend it on.

Mr. Deputy Speaker, they are not going to have the money they need to continue both the education systems, the health care systems and the social services programs of the future, unless we begin to change the labour force and bring people out of a cycle of dependency whether they are Native, immigrant, poor, unemployed, uneducated, or single parents and bring them into—make them what most of them want to be, independent, contributing, working, taxpaying contributors of our province.

When we look at the aging population and our baby boom is now in the middle income level, it means that we are going to have less working individuals supporting a larger population of out-of-work individuals. How are we going to deal with that because the services for the elderly are going to have to increase, there is going to be more people for whom we have to provide pensions and health care and support that they are entitled to because they have done their job of making their contribution to this province. On the other hand, we have increasing numbers of people below the poverty level and far fewer people able to go into the labour force, of those that we have presently in our city.

When we looked at immigration previously and we were discussing this in a motion that came forward through Private Members' Hour, I think this is a serious issue too. The federal Government has said we are going to increase immigration in Canada and they have added another 150,000 people which, for a country like Canada, it is just a drop in the bucket. Most of these people are going to the big centres, they are going to Toronto, they are going to Vancouver, they are not coming to Winnipeg. Mr. Deputy Speaker, even out of the numbers that are there we are not getting what you might consider to be our fair share. The numbers of immigrants have dropped about 5 percent in this six-year period.

The immigrant growth is slowing down, and the number of young individuals that we need to replace those in the labour force who will retire over the next 20 years is not coming from abroad. Where are they going to come from, where are we going to get the people from that are going to continue providing the taxes and the resources that we need to carry on the services and the programs that we have provincially?

We have an aging population, a low birthrate, little immigration. The tax base is going to continue to diminish, and currently the majority of the people are in their highest income-earning age, and therefore the income from which to draw financial support is as likely

as large as it is going to be, so that supports for social programs are going to be decreasing to a dangerous situation.

When you add to that that most of those in need of support are heading in a downward economic direction, the poor are getting poorer, the rich are getting richer, and the middle class is totally disappearing, it is clear that our more vulnerable subpopulations are continuing to face deteriorating and increased deteriorating socioeconomic conditions.

This is not evident anywhere more than it is in the inner city of Winnipeg. The inner city is not growing as much as the suburbs are growing; the opportunity for growth is much easier outside of the inner city. In this period of time the Native households were about 5 percent of the total inner city households and now are well over 7 percent. The visible minority were 8 percent and are now 13 percent. When you add all these changes it is obvious that we are heading into what could, in the next four or five years, be a crisis situation.

When we look at the census data that allow us to monitor the socioeconomic conditions and you look at the target population, it becomes apparent that the unemployment rate in the city, the average income level and the general housing conditions may mask the conditions faced by those in the inner city. What I am saying here is we tend to look at statistics that lump the whole city in together, and that it really is masking and hiding conditions that are much worse than anybody is aware of, conditions that are so serious they must be dealt with very quickly.

Unemployment is a very good example. You know the citywide unemployment rate in 1986 was about 8 percent, but unemployment at that time in the inner city was 12 percent, and if you look at it by catchment area, by neighbourhood, it is truly appalling. While the Government may congratulate themselves on a 7 percent provincial unemployment rate, they are looking at unemployment in the inner city that ranges anywhere from 20 percent, to 30 percent, to 40 percent, to 50 percent, and in some cases 60 percent unemployment for a neighbourhood. Can anybody imagine the social costs, can anybody imagine the difficulties of a neighbourhood, of a community, of the families that are living in an area that has a 60 percent unemployment rate, and what effect that is going to have on them and their children?

I think we have to stop talking about 7 percent unemployment. We have to even stop talking about 12 percent unemployment in the inner city, and we have to start talking about neighbourhoods and communities where there is 30 percent, 40 percent, 50 percent, 60 percent unemployment; start targeting our programs and saying, what are we going to do for these groups, for these high numbers of unemployed people?

You know, not only is it true that unemployment is growing, but the proportion of those unemployed and out of work increased to a greater percentage in the inner city.

When you look at the work activity, too, by people in the inner city and the non-inner city, only one in

three inner city residents worked for the full year in '85, compared to 45 percent of those in other areas. It is not even just a matter of being employed, it is the amount of employment they have an opportunity to carry out. What you will find is that even those that are employed in the inner city are working for very short periods of time. While they may add to the employment statistics they are really not employed because the percentage of time they are employed cannot really be considered full employment. Thirty eight percent of inner city residents did not work at all in 1985. Can you imagine the heart and soul, the entire inner city area, that 30 percent of the people who live there did not work at all, compared to 28 percent of non-inner city residents? So you can see the disparity and the seriousness of it.

* (1430)

When you look at unemployment by target group you can look at it geographically, and it is appalling. If all of these people stay unemployed I do not where this Government is going to get their money to bring in the expenditures that they are bringing in through this present Loan Act. Native unemployment is over 30 percent; 40 percent of the Native population who worked at all did so for only 26 weeks; and less than half of the total Native population was considered to be at all employed.

Employment rates are equally low for single parents and those under 25. You can see the geographical areas and you can see the targets groups that are in really serious difficulty: the Native, the young. We have a very serious problem of unemployment with the young and single parents who are largely young women who have not completed their education, and education has to be considered as a major stumbling block denying many of these people an opportunity for employment. Although education is improving in the province, and it is improving in the city, the inner city once again lags behind, and about 38 percent of the individuals in the inner city have a university or trade degree, while 47 percent of people outside the inner city have those same educational opportunities.

Apart from people being out of work and adding to the unemployment rolls, we have another serious problem in the inner city, and that is that the income levels are very low and they remain relatively low. The opposite trend in the change in income is being experienced in the inner city when compared with other areas. There is a tremendous rise in the number of low-income earning households in the inner city.

In 1980 you had about 19,000 city households reporting a gross income of under \$14,000, nearly 20,000 households, families in the inner city, a gross income of under \$14,000.00. But in the next six years there were 22,000 reporting this low income level. The increase is not seen in higher categories of income. When you look at the higher percentages, the people earning over \$48,000, there is a small increase. When you look at the numbers of people increasing in the \$14,000 and under category you see a very, very large increase. It is hard for us to imagine how families are living and supporting, putting food on the table, a roof

over their heads, and clothing their children when they are living on \$14,000 a year.

That has been the population that is increasing. That is why our food lines are increasing, that is why people are going to the food banks to feed their children, because the poor are getting poorer and the rich are getting richer, and the housing for the poor is getting more expensive.

We talked a bit about the vanishing middle class, and I think this is a very, very serious issue, because those earning high incomes, when you are over \$48,000, I said increased by 2 percent, but the number of households in the lowest income category by almost 13 percent, yet the number of households between the low and the high has decreased by 2 percent. So our middle class is vanishing, and they are the ones that really provide the largest tax base for providing our services and our programs. So we have a widening gap between the rich and the poor, both in numbers and in average income. This has to be recognized as another very serious issue.

I want to talk about single-parent families, because one in three parents in the inner city who have children under 18 are single parents, one in three are single parents. This is something that I think we have to begin to deal with immediately. When you look at the rates of poverty for single parents, Natives, visible minorities and the young, the increase for these groups is greater than it is for the total inner city population.

Over 60 percent of single parents and 70 percent of Natives live below the poverty line. Over 60 percent of the 5,000 single parents in the inner city live below the poverty line. Over 70 percent of Natives who live in the inner city live below the poverty line. The incidence of poverty has increased to 56 percent for those from 15 to 24. So what are we looking at? Single parents, Natives, the young, the immigrant, groups that we have to begin to help now.

The proportion of husband and wife families without children below the poverty line increased and is now at about 20 percent. So we have a worsening income situation in the inner city, but it is more prevalent among the already depressed groups such as Natives and single parents.

When you review the income in the inner city it gives you two important conclusions: real income for the poor is declining, income for richer households is increasing. Despite the increase in the total number of households in the inner city, the number of middle-income earners is decreasing while high and low are growing in number, causing a polarization in income levels. The number of households living in poverty is rising faster than the number of high income earning households, leading to an eventual catastrophic situation in the inner city if these trends continue.

Now let us look at housing in the inner city. We always talk about how Manitoba has some of the most affordable housing in the country, and we have always been very proud of that. I think a tremendous effort has been made to provide housing for senior citizens and to provide low-income housing, but the reality is

that our ability to keep pace with the needs is becoming a very serious problem. The housing situation in the inner city is worsening, and it is worsening particularly when you compare it to other areas in the city.

So when this Government is looking at putting money in their budget—this expenditure budget that they are bringing forward—when they are looking at doing that, and they are willing to pay the hundreds and hundreds of thousands of dollars to pay for infrastructure out in the suburbs, while the inner city continues to rot and deteriorate and decline, so that the amount of social housing available has dropped by 2,500 in the last six or seven or eight years, then I think we see a situation where very soon people are going to be living in slum housing, as many of them are. A lot of houses are not improved in the inner city because of the inability to deal with slum landlords and slum housing.

I think housing is becoming more difficult. The proportionate cost of the housing is increasing. Mr. Deputy Speaker, it is incredible for us to find out, when you look at the amount of money you spend on rent, that the poor are spending a larger percentage, between 25 and 30 percent of their gross income, on housing. The rich are paying less. The proportion they are paying is going down.

It is another one of the reasons for the increasing food banks, and one of the big reasons for the increasing numbers feeding their children through food banks, because their houses, which often are in deplorable condition, are costing them so much money and such a large percentage of their income that they cannot afford to buy enough food. We have to bring down the cost of housing and the percentage of the cost of housing that is being paid by the poorest people in our province and our city.

* (1440)

The people in the inner city have almost no hope of owning a home. It is clear from the statistics and the information that the poor families, unlike the Canadian dream that anybody can really own their own home, there are thousands of them who will never have an opportunity to have their own home. When they are paying rent we are not even protecting them as much as we should be through the rent controls, because the rent controls are working outside the inner city, but they are not working inside the inner city.

Rent controls outside the inner city went up 4 percent. In other words, they were kept down to the rate of the rent control guidelines. Rent controls in the inner city in the same period of time? Ten percent. How can it be that the area that has the most deplorable housing conditions, the largest number of people living in poverty, the lowest income, the most disadvantaged, that we have the least ability to protect and control the cost of that housing through rent controls? When the Government is looking at their expenditures, one would hope that they would look at what is basically a very good program, the rent control program, and put a little more money into monitoring and controlling the rent controls in the inner city.

It is interesting to find that the trend in the household income, Mr. Deputy Speaker, is the opposite of housing.

We have more households in the inner city that are occupying the top and bottom levels of income earners, while middle-income earners are decreasing in numbers, but rent is decreasing for the top-income earners and increasing for those at the bottom level of the scale. It just does not make sense. They are trends that we have to stop. The result is that the low-income earners in the inner city continue to put a much higher percentage of their income into rent while those in the upper-income brackets are spending a smaller portion, and that is really unacceptable.

Now let us look at single parents, because they are becoming the most dynamic change in the composition of the inner city, the single parent population. The growth of single parents in the numbers and the poverty they are living in has to be seen as a major concern. As I said before, one in every three families with children under 18 in the inner city is a single parent. Although that number by itself is startling, the trends indicate that the single parent population is steadily continuing to rise. There does not seem to be a trend toward decline, so we have tremendous numbers now and they are going to increase.

This Government cannot continue to ignore the support and help that is going to be needed to provide day care for these single parent mothers, to provide education and training programs for these single parent mothers, so that we are not condemning the children and the mothers to a life of dependency because they cannot break out of this cycle.

I urge this Government to put aside the games that are being played between two departments throwing the parent and child centres up in the air, each one of them saying, well, it is not really mine, but we and this Government support the parent and child centres, while it is clear that support is in words only, and is not prepared to be financial, so that they will continue to operate and provide services for these families.

There were 5,000 in '81 and we are close to 6,000 now, an increase of over 15 percent. Most of these single parents are under the age of 25, and the vast majority is attributable to single parents of Native and other visible minority ethnic origins. There has been a 40 percent increase in Native single parents and an over 60 percent increase in the number of single parent families of other visible minority statuses in the inner city.

I make that point because it is clear that when programs are developed they are going to have to be directed to, and they are going to have to be developed with and delivered with the support of those communities in terms of education, in terms of getting information out into those communities, and in terms of seeing what kind of programs are going to really help and are going to really work to decrease this very, very serious statistic and information.

They face incredibly high and growing unemployment rates. They face low levels of income. They face higher housing costs. Because of all of those economic problems, including the lack of educational opportunities, most of them are living in poverty. Are we going to continue to condemn our young mothers

and their children to this continued life of poverty, because we do not recognize the seriousness of the problem, we do not support programs that are presently in place that are helping them break out of that poverty cycle, and we do not direct adequate money towards the programs that they need, which are day care, education, training, and support?

This is going to become such a drain on our economy that we are not going to be able to continue to afford it. Even if you did not want to do anything, for social reasons, for moral reasons, for reasons of fairness and equity, you are going to be forced to do something about this situation, because the economy will not be able to tolerate the growing numbers of single-parent mothers and their dependent children in today's society.

The unemployment rate for single parents is up around 17 percent. When you look at the subgroups once again it is even worse. Unemployment for single parents under the age of 25 was 41 percent. With the number of Native and young single parents on the rise they can only be expected to increase the already depressed employment situation in the inner city.

Out of the 50 percent of single parents who are working or looking for work, over 17 percent of those are unemployed. Fifty percent are not looking or not working and hence are not in the labour force. They do not even surface in the unemployment statistics.

So even the statistics that we have, as bad as they are, are not showing an accurate picture. It is showing how difficult it is for them to become active members of the labour force when they are faced with the task of raising a child as a lone parent without any support.

We have 60 percent of our inner city single parents living below the poverty line, very few employed, particularly among the young and Native single parents. Assistance is obviously needed to relieve this subgroup of the population from their incredibly difficult burden. Instead of reducing or maintaining child and day care we have to have increased services, but directed towards the inner city; directed towards the young, Native families; directed towards the geographical areas where they are in the largest numbers.

We want them to become viable income earners. Mr. Deputy Speaker, that is what they want, too. Most of the people who are on unemployment do not want to be. Most of them want to have a job, and most of them want to be independent.

When you look at the largest percentage of those on welfare you will find that many of them are single parent mothers and handicapped and the disabled. There is only a small percentage of abuses as shown by a very recent study, very little abuse in the welfare program. Most of them that are on welfare are the ones who are going to need help to break out of that welfare cycle, but are quite able, given those supports, to work and want to work.

A single parent mother is not going to be able to get a job if she cannot finish high school. A single parent mother is not going to be able to get a job if she does not get some training or some education. A single parent mother is not going to be able to get a

job if somebody does not look after her child while she goes to school and prepares herself to be independent.

* (1450)

It is also interesting that 75 percent of the inner city single parents are paying more than 25 percent of their income on housing. When you look at all these statistics it is just appalling how terrible the condition is of many of these groups of disadvantaged people and that it is increasing at an alarming and a very, very serious rate.

Of course, one of the keys to breaking out of that cycle is going to be education and employment. When the Government is looking at their programs once again, they are going to have to start directing training and education programs to inner city residents as they do to Natives, as they do to the North. They are going to have to direct—as the Training and Employment Agency is under the Core Area—they are going to have to direct training and educational programs into the inner city.

(Mr. Speaker in the Chair)

So the picture of the inner city that we are painting is not very promising. In fact, it is quite alarming. The trends indicate that those who are in the greatest need, like single parents, Native, immigrant, are experiencing dramatic economic hardships. Housing costs are increasing. Income is decreasing. Employment is becoming more difficult to obtain. Rent costs are increasing in the high-income levels and decreasing in the low. We have an aging population which is going to show us that the tax base is not going to continue to be able to support these disadvantaged groups.

So what is the solution, Mr. Speaker? The solution is to act now. The solution is to begin to bring inner city people into the labour force before the problem develops further. The solution is to recognize that those who are disadvantaged need help, need more affordable housing, need to improve their income, and need training and education. Just because we are moving high-income earners into the downtown area it does not mean that the needs of the impoverished are increasing. It is getting worse all the time.

While our city may not be as depressed as some other cities that have become slum cities, if these trends continue, we will have an inner city in the City of Winnipeg that is slum, that is going to be impossible to reverse. We can do it now if we recognize the difficulties and the seriousness faced by the groups in the inner city. We can do it by putting more of this Government's money than is presently put into training, education, day care, employment opportunities, and better housing in the inner city. I urge the Government to look at the seriousness of this situation and begin to give this and these people a much higher priority.

Mr. Speaker: The Honourable Minister of Finance will be closing debate. The Honourable Minister of Finance.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I just rise to make a few short comments on

closing, on second reading. I thank all Members of the House for their contributions in respect of The Loan Act, 1989. Let me say that I am a little disappointed that Members of the House have not seen fit to direct some of their comments specifically to the import of the Bill. I know that it is a money Bill and it is seemingly believed in the minds of some that all money Bills take on the position of being a budget Bill, but that has not been the tradition that I learned in the House. It seemed to me that there is some incumbency upon all of us to direct our remarks to certain aspects of non-budgetary loan authority.

Nevertheless, I have read the remarks, certainly of the Opposition Critic of Finance. Let me say that he has put some very profound thoughts on the record. There is no doubt, although many of them are far removed from Bill No. 34; nevertheless, they do cause some thought. I tell him that in all sincerity. I read his presentation, and in another time, another place, and another Bill, we probably would like to enter into a fuller debate. Nevertheless, we lay before the people of the province, by way of Bill No. 34, what it is that we are contemplating in new programming, extending programming.

I think there are a lot of questions that Members might like to ask specifically dealing with the new Vision Capital Fund that is being considered within the Department of Industry, Trade and Tourism, and I am hopeful that Members will see fit to allow Committee of the Whole to sit today so that those types of questions may be presented. Thank you very much, Mr. Speaker.

QUESTION put, MOTION carried.

BILL NO. 53—THE ENERGY RATE STABILIZATION AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 53, The Energy Rate Stabilization Amendment Act; *Loi modifiant la Loi sur la stabilisation des emprunts d'Hydro-Manitoba à l'étranger*, standing in the name of the Honourable Member for Thompson who has 31 minutes remaining, the Honourable Member for Thompson.

Mr. Steve Ashton (Thompson): My opening remarks when we last debated this Bill, I remarked on the historical background of The Energy Rate Stabilization Act and the amendment to the Act that we are dealing with today.

Since I had the opportunity to participate in the debate I had the interesting experience of reviewing some of the Hansards from 1979, and there is a certain irony that we are dealing with this Bill at a time in the province when we are seeing some major developments in regard to Manitoba Hydro, both in terms of rates and in terms of Hydro construction.

Really in looking at what has happened since The Energy Rate Stabilization Act was introduced by the then Conservative Minister responsible for Hydro, in fact, I went through the debates from June of 1979, and I think what was interesting, Mr. Speaker, is the

fact that the Conservative Hydro policy, the basis, the very bricks with which they built their Hydro policy, now 10 years later, has been totally torn down and it has been proven to be false and inaccurate.

An Honourable Member: And foolish.

Mr. Ashton: And foolish, as the Member for Churchill (Mr. Cowan) points out. If one looks at the political arguments of 1979, if one looks at the debates on this particular Bill, the original Act, Energy Rate Stabilization Act, and looks at where the Conservatives were 10 years ago and where they are today, Mr. Speaker, I think anyone who took the time to review this - (interjection)- Well, I have the Member for Lakeside's (Mr. Enns) comments here from 1979 and he may wish to read them, because it is rather interesting, the complete change we have seen in the Conservatives in that 10-year period.

An Honourable Member: He called that a happy event.

Mr. Ashton: Yes, Mr. Speaker, as the Member for Churchill points out, 10 years ago he said that the introduction of The Energy Rate Stabilization Act was a happy event. I have his comments right here, perhaps if he would like to review them. I realize that perhaps—

An Honourable Member: Don't worry, be happy.

Mr. Ashton: Don't worry, be happy. That is right. The Member for Churchill I think points to the very essence. The Member for Lakeside was very enthusiastic in speaking on this, but I need no particular prompting from the Honourable Member for St. Johns to rise to speak on this Bill on this subject matter.

He talked about what the hydro rates were going to be in the period of time following the passage of this Bill and he talked, Mr. Speaker, about the impact, how much absorption of fluctuation in currencies would come from this particular—but as to his Minister, well they talked about absorption of about \$110 million. Was it? No, Mr. Speaker, it was considerably higher than that over that period.

In terms of the hydro rates, it is proven historically one has to only look at the experience with Manitoba Hydro, that the course of action which was embarked on in June of 1979 was nothing more than a political move that was a pre-election ploy on the part of the Conservatives.

* (1500)

The Member for Lakeside (Mr. Enns) will be well aware of that because his comments were very clear. He talked about how proud he was of bringing in this measure, how pleased the Minister of Finance saw fit to press through with this, and he went into great concern about how the caucus had been urging this and working through this. Mr. Speaker, it is amazing if one looks back in history in the 10 years that have happened since that time to what has happened.

I do not mean to lay all the blame on the shoulder of the Member for Lakeside. I do not mean to do that,

Mr. Speaker. He has broad shoulders, but surely I do not expect the Dean of the House to accept responsibility for what was clearly a wrong Hydro policy on the part of the Conservatives. I do not mean to do that, but I do think that the current Government should perhaps explain what has happened in the 10-year period.

I read the Minister's opening comments, the current Minister of Finance (Mr. Manness), Mr. Speaker, his opening comments—and you know I think it is interesting in which the Member has sort of glossed over the last 10 years of history in terms of Hydro policy. The fact was that this Energy Rate Stabilization Act was part of the Conservative Government's policy at the time of freezing hydro rates. That was the term they used—freezing hydro rates. If anybody doubts that it was a political measure, one only has to look at the debates from June of 1979, and I do not think there was any doubt on anybody's mind.

It was based on certain assumptions, Mr. Speaker. It was there supposedly to attract investment to the province, but what it did instead is it put a tremendous amount of pressure on Manitoba Hydro. When the following Government lifted the freeze, by that time the reserve situation in Manitoba Hydro had deteriorated substantially. The reserves are put in place for what purpose, to deal with droughts when there is a problem in terms of revenue for Manitoba Hydro on a year-to-year basis.

What has happened in the last number of years? Well, we have had droughts. That kind of occurrence that I remember the Hydro Board was warned of would occur once in every 30-40 years, well, it occurred.

What happened was that the Conservative Government of 1979 completely misread the circumstances of the day for political purposes. Their whole policy in 1979 was built on an argument that somehow rates had increased too much under the New Democratic Party. Their whole philosophy, their whole policy of 1979 is in the Hansard, I have it here, for Members who might be interested in, was built, Mr. Speaker, on the alternate suggestion that somehow the Conservatives would keep down the rates.

The implicit -(interjection)- Well, they did by a phony hydro rate freeze that cost Manitoba Hydro in the short run a tremendous amount of money in terms of its reserves, and the Member for Lakeside (Mr. Enns) knows the impact it had on Manitoba Hydro, because their assumptions were wrong, Mr. Speaker, and the result was that in the end there were rate increases and there will continue to be rate increases.

The Conservative Government was wrong, they were wrong in their assumptions at the time and they were wrong in their policy. Sooner or later the policy of 1979 of the Conservatives was to suggest that there should not be construction, that one of the problems in the Hydro system was there was too much construction—I have the comments right here of the Member for Lakeside (Mr. Enns) and other Members of the day who spoke. Well, what do we see has happened in the intervening 10 years?

Well, for a number of years the Conservatives clung to their Hydro policy. We remember it. We remember

the Member for Lakeside. I really do not mean to pick on the Member for Lakeside today, but we remember his comments as critic, along with the First Minister a number of years ago when there was discussion of the Northern States Power sale and the construction of Limestone, and what, Mr. Speaker, did the Conservative Party at the time suggest we do? Did they suggest that we, yes, come to an agreement with NSP power? Did they agree with that? Did they agree that we should proceed with Limestone, the announcement that was made by the NDP Government at the time? Well, no.

You know what they had suggested? What they suggested was that we buy power from out of province. The Member for Lakeside will remember those comments, I am sure. That was the Conservative suggestion as a policy coming from both the Member for Lakeside and the then Leader of the Opposition, the current Premier. So even up to a number of years ago they clung to this policy of theirs that suggested that the problem with Hydro, that there had been too much construction and they could somehow freeze rates and ignore the realities of the world.

Well, they were proven, increasingly in the 1980s, to be wrong. What happened? We were proven that we could not isolate ourselves from the overall economic situation, that the hydro rate freeze was not a sensible policy, that it had been strictly political in 1979. I think even any Conservative today who would look at it, would admit that to be the case. They opposed the construction of Limestone, they expressed a great deal of concern about the NSP sale and they were not alone, I do admit that.

The Liberals were probably even more vociferous. They called Limestone "Lemonstone," Mr. Speaker, and they criticized it. For the Liberal Members who are here in this Chamber today, the Leader of the Opposition (Mrs. Carstairs), the Liberal Leader, came to Thompson around the time of the announcement of the construction of Limestone and you know what the Leader of the Opposition said?

An Honourable Member: No, what? What did she say?

Mr. Ashton: She said that Limestone, which had been projected to cost \$3 billion, would cost \$5 billion. That is a direct quote and that was in the same speech that she criticized Limestone as being lemonstone, suggested we should not have Hydro construction for decades, something she has repeated in regard to Conawapa, not so much in the last number of days.

In the last number of days I have noticed the Liberals have not quite said what their position is on Limestone. I will be very interested to see if they too undergo a conversion on Hydro policy and somehow suggest that now they support it. The fact is they said it would cost \$5 billion, it was budgeted for \$3 billion, and it cost well under \$2 billion, well under \$2 billion. I believe the final figure was 1.7 million to 1.8 billion in that range and that showed just how wrong the Leader of the Liberal Party was.

As I said up until the mid-1980s there was a similarity, a great deal of similarity, between the Liberals and

Conservatives on Hydro policy. They were essentially opposed to the policy of the Government of the Day in terms of Hydro, which had seen export sales were available and it sought to develop our hydro potential particularly in regard to Limestone.

Another part of our policy of course was to ensure maximum benefit whether it be in northern Manitoba and across Manitoba of course in terms of that there was really no relevance to the Liberals and Conservatives at that point in time, because if they would have had their way we would probably just be seeing Limestone under construction if that. In fact if the Liberals had been in Government for any period of time I do not think we would be debating whether Conawapa should be proceeding now, we would be debating whether Limestone should proceed. I am sure the Liberals would be recommending it go forward another 20 years.

We have seen a dramatic change in Hydro policy the last number of years on the part of the Conservatives and it is ironic—I find a great deal of irony watching the First Minister (Mr. Filmon) now talking about this announcement that is going to be made with the Ontario Premier of the sale to Ontario and the construction of Conawapa, because I do not think anyone who has sat in this House a number of years ago would believe their ears because this is the same Conservative Party that fought tooth and nail against our Hydro policy.

I am only talking about 1985, four years ago, when the announcement was made in regard to Limestone and yet here today they are announcing—I note a certain amount of reluctance. I do not know if it is just my own opinion, but a certain amount of reluctance in the way they are announcing this major development for Manitoba.

An Honourable Member: I know why.

Mr. Ashton: The Member for Churchill (Mr. Cowan) says he knows why. Perhaps it is out of embarrassment, because they have come 180 degrees from their previous policy. I say I have no problem with that. This is a minority Government situation. The one thing we have seen is that when the Conservatives are in a minority Government situation, they do strange things.

In Ontario if everyone wants to look at what happened there with minority Conservative Governments, they did things like introduce labour legislation that made Ontario one of the leaders with labour legislation across Canada. Was that because that is part of the fundamental principles that are part of the Conservative policy? Well, I do not think so, Mr. Speaker. It is because when minority situations occur you find that whichever Party is in Government, whether it be the Conservatives in this case or we saw the Liberals when they had a minority Government 1973-74, you would see that they would start listening perhaps, not to their own policy history, their own ideology, but they would start listening at least to some extent to other influences, and I believe that is what has happened here.

* (1510)

I believe that they have looked at the current situation and they have said, yes, it makes sense to have this

sale with Ontario and absolutely I agree with them. They say, yes, it makes sense to have that sale because it will trigger the construction of Conawapa. I once again say I absolutely agree with them because essentially what the Conservative Government of 1989 is doing is adopting the same policy that we had in the mid-1980s that we have had consistently as a Party, as a New Democratic Party. They are now the ones who are out there saying the same things we were saying in 1985, in 1979, in the Hansards, I propose.

Ever since 1969, we are talking about 20 years of New Democratic Party policy, of economic development, and Hydro development, and ensuring that the benefit goes to people in the North and to Manitoba as a whole who are now seeing the Conservatives somewhat reluctantly proposing the same policy. So there is an irony as we debate this. There is an irony—(interjection)—

Mr. Speaker, the Minister for Northern Affairs (Mr. Downey) says, what policy? Perhaps it is not a policy on the part of the Conservative Government. We are seeing that they somehow—many issues do lack policy direction. I thank the Minister for Northern Affairs for pointing out that perhaps this is just events that are sweeping them along. As I said there is that reluctance there.

I mean our critic, who is well aware of this matter, who was dealing with this as a Minister only a short time ago, has raised this for the last number of months in the House. I think this is the first time a major Hydro development has been announced by an Opposition Party. In fact I think it has been announced about four or five different times.

I noticed today reading the Winnipeg Sun the headline in which the Leader of the New Democratic Party (Mr. Doer) is on the front page as having announced that this is a deal. Where is the Government? Is it because of their embarrassment? I would say to the Members of the Conservative Party, yes, they should be embarrassed. They should be embarrassed if they look at their Hydro policy, if they read their comments from 1979, and they look at what has happened to Hydro. Yes, they should be embarrassed if they read their comments from 1985 and what has happened to Hydro since that time.

I say their embarrassment on this policy is good news for Manitobans because it indicates they have come 180 degrees and they have adopted the kind of policy that we in the New Democratic Party have been pushing for, for years, that we stated in 1979. In 1979 the Member for Churchill (Mr. Cowan) was a Member of the Legislature, at this time, and he was part of an NDP Caucus that stood up and said this policy that the Conservatives introduced in 1979 of a hydro rate freeze was not only wrong, it was irresponsible, and he did that in knowing it was a certain political appeal—

An Honourable Member: Premonition.

Mr. Ashton: Premonition, a premonition of what was going to happen perhaps but he knew there was a political appeal to a Conservative Government that was mired in the middle of the Sterling Lyon years of being

able to go out on the hustings and say we have frozen your hydro rates.

The Members of the New Democratic Party Caucus, including the Member for Churchill at that time, knew that was a wrong policy because Manitoba Hydro could not sustain that policy over a period of years. In fact that is exactly what happened because let us not forget that in 1979, that was a period when interest rates and the cost of living were escalating rapidly but yet the Conservatives at the time, these people with business acumen—they like to suggest they have business acumen. They went and they froze hydro rates at this time, a policy that could not be sustained, a policy that was clearly political, and a policy which the New Democratic Party at the time courageously opposed.

While in 1989—is it not ironic, we are debating this Bill today which in essence is a repudiation of 1979 and the Conservative policies at this time. In the Legislature in the last couple of days we have been discussing the future direction of Hydro with the development of Conawapa.

Once again a repudiation of everything the Conservative Party has stood for in this legislation the last 15 years in terms of their policy. We are seeing a complete and absolute about face. I will be the first one to say that in this particular thing I think there is one and only one reason why there has been such a complete and absolute about-face and yes, it is because there is a minority Government situation.

We in the New Democratic Party have taken the position that we are willing to try and make minority Government work. I will say that when that announcement is made finally by this reluctant and embarrassed Conservative Government, that they are going to make that hydro sale to Ontario, and they are going to develop Conawapa. We will be the first ones to be saying, right on, that is exactly what needs to be done. We have been saying it to them ever since they have been in Government, because we were afraid they would put their policy in place. Now they have thrown it away.—(interjection)—

Perhaps the Minister of Northern Affairs (Mr. Downey) is right. Perhaps they do not have a policy. He says, what policy? Perhaps he is right. Perhaps they are just being swept along by events. I have no problems with that, because I would say if we for example followed the course of the Liberals, who attempted to put us into an election earlier this spring, I would say we would not be looking at the situation today of building Conawapa. We would be looking at a situation where very serious questions would have to be raised about what would be the future development of Hydro. God forbid if the Liberals had formed Government and they were to put in their policy of not having Hydro development, of not building Conawapa for decades.

As a northern representative I can tell you my constituents would have been furious not just at the Liberals but at myself for allowing that to happen. I can tell them with good conscience today as I did when I voted—not with the Liberals for an election that was only there for reasons of opportunism on their part—to maintain, to try and make the minority Government

work. I was glad at that time to be able to do that and I will say today that this is clear evidence on Hydro that policy has worked. It is absolute and fundamental clear evidence. That is why I have perhaps a different outlook than the Conservatives. I am not embarrassed at all. I am quite happy with it.

I just hope they will continue to listen for whatever reasons whether it be in regard to Hydro policy or other matters. I hope they will, because I sense, Mr. Speaker, that is not the case. I sense in other issues and I raised concerns yesterday in the area of health that I think they are turning a deaf ear to many people in this province. I think that is going to lead to their downfall, not just in the day-to-day political events, but I believe that there will come a point in which we in the New Democratic Party perhaps the Conservatives themselves will get to the point where we will not be able to say that a minority Government is working and that will come when they turn the deaf ears they are doing now to health care concerns in particular, to the concerns of working people who are daily pointing to the fact that there is a problem in the economy in this province that has to be dealt with. There is no economic policy or leadership from this Government.

As we stand today, Mr. Speaker, but maybe this will be the last occasion in which I will have the opportunity to say in this House that a minority Government situation is working. I am not sure. Perhaps, this will be, I do not know, but for the Minister of Northern Affairs (Mr. Downey), he says he wants to run in Thompson. I would like to see him get on his feet today and announce that he is going to do that. We would have a lot of fun with him up in Thompson, believe me. The people in the North love parachute candidates to begin with.

I think that if the Minister—as he is flying over in the Government jet, as he likes to do on regular occasions—wishes to parachute into the Thompson constituency and announce that he is going to run, I think it would be great. Because I would like to see him explain to my constituents the Conservative Hydro policy, and why it took a minority Government to come 180 degrees and adopt the policy that has been proposed by the New Democratic Party and that has been supported by Northerners for years. I would like to see the Minister of Northern Affairs do that.

As I have said, it is not often in this House that we get the opportunity to really see a Party come full circle, as we have today with the debate on this Bill and the events of the last few days. I want to say to the Conservatives, keep it up, keep adopting NDP policies. That is what minority Government is all about, find a list. I am not sure you are doing that in other areas.

Well, the Minister responsible for Family Services (Mrs. Oleson) says, what policies. The Hydro policies that we are debating today, the Hydro policies that she opposed when she was in Opposition, that we are now seeing implemented on a daily basis by this Conservative—I say to the Conservatives, let us keep it up. Disown your own sorry history in this particular area in terms of policy.

Perhaps you can do the same in other areas, whether it be in the area of health or the economy, because

the evidence is clear, certainly on this. I hope the Member for Lakeside (Mr. Enns), who was here, will review his own comments. The evidence is clear that what was said in 1979 by the New Democratic Party was right, and I would say I believe that in 10 years from now, as people read the debates from this Legislature, once again people will say that the New Democratic Party was right.

In 1979, we were ahead of our time. We took the politically courageous stand on Hydro. The Member for Churchill (Mr. Cowan) and other Members were ahead of their time. I believe that in this particular case it will not be the Conservatives who will be remembered for what is very much a reactive, reluctant, embarrassed reaction on their part.

It is going to be the 12 New Democratic Party MLAs who stood up in this Legislature on ERSA and pointed to the future of Hydro, which has been consistently stated by the New Democratic Party over the years, which is absolutely vindicated by the fact that we are dealing with this Bill, The Energy Rate Stabilization Amendment Act, today. In 10 years from now people are going to look at us in this Legislature and say, yes, the NDP was right. For whatever reasons the Conservatives decided to build Conawapa, and various other Hydro moves they are taking, that is their decision.

I welcome them into 1989. Perhaps they will move ahead into the 1990s as well with the same renewed commitment to a new Hydro policy which rejects the complete, absolute failure of Conservative Hydro policy in this province over the last 20 years.

Mr. Jay Cowan (Churchill): It is interesting in reading through the Bill before us, Bill No. 34, The Energy Rate Stabilization Amendment Act, I looked at the first page in more of a pictorial sense than in a detailed sense to review what was actually there.

What jumped out at me immediately was a series of clauses which repealed specific clauses of earlier Bills, starting with the 1979 Bill, and going onward. As I looked through it, it came to me that this really is not the ERSA Bill or The Energy Rate Stabilization Amendment Act, but this is the Conservative stupidity repeal Bill. What it does, and I came to this conclusion after reviewing the genesis of this Bill, it undoes what a previous Conservative administration, the Lyon administration, put in place in 1979, which was a policy that turned out to be ill-founded, ill-conceived, foolish and a total failure.

* (1520)

So when the Minister of Finance (Mr. Manness) brings this Bill forward at this particular time, what he is doing, in essence, is saying, yes, we were wrong-headed in our approach in 1979. Yes, the Conservative ideology of the day was inappropriate. Yes, that Conservative policy did not have any of the effects that it wanted to have, and yes, it was a matter of having to repeal it at this time in order to try and undo the damage that they had done before.

Bill No. 34 is in essence, in my mind, a Bill to repeal the foolishness of the previous Lyon administration. Well,

the Minister of Northern Affairs (Mr. Downey) from his seat chides and chirps away, and he does that because of some embarrassment that he is trying to hide, because he was a Member of that administration of that day. He was a Member who thought that this was going to be the great political coup of the Lyon administration and assure them re-election.

In effect, not only was it wrong-headed from a policy perspective but it was wrong-headed from a political perspective. I believe it cost them votes because it was seen for the cynical, ill-conceived move that it was, rather than getting them votes. Let us go back to that period of time of about 12 years ago. We had a Conservative Government in place, it had been in place for a year and a half or so at the time this Bill was brought forward. Mr. Donald Craik was the Minister of Finance and also the Minister responsible for Hydro.

During the budget in 1979, the Conservatives brought forward a proposal to freeze hydro rates for five years. The Member for Thompson (Mr. Ashton) and other Members on this side, the New Democratic Party Caucus, had spoken about that particular hydro rate freeze and its connection to this particular Bill we have before us today.

At the time they also brought forward a few months later Bill No. 60, The Energy Rate Stabilization Act, the first one, which in essence was a quid pro quo for the hydro rate freeze. Bill No. 60 in 1979 gave substance to that earlier political promise of that Lyon administration.

(Mr. Harold Gilleshammer, Acting Speaker, in the Chair)

I remember well when the budget was announced, Mr. Acting Speaker, because Members of the Conservative Government of the Day hooted, hollered and clicked their heels together and made joyful sounds and noises because they thought they had pulled one off. They thought they had manipulated Hydro and hydro rates to the extent where it was going to guarantee them a place in history. They thought, and I believe they honestly thought, that the financial projections that they had put forward would mean that this Bill would not be a costly Bill to the province. They thought that they could within that context provide for a political coup of the day.

We all, who were here at that time, remember that budget. It was not with some trepidation that I first heard the announcement, because in essence, at first blush, before one developed any analysis of the proposal, it did look somewhat appealing, enticing, perhaps even a bit to the extent where it might get them some votes, which they sorely needed by that point in their jurisdiction.

When we started to review the Bill, what became very apparent very quickly was that this was not a Bill that was in the best interest of the ratepayers of Manitoba Hydro, which the Conservative Government of the Day said it would be. We knew very soon that it was a Bill that would not be in the best interests of the taxpayers of Manitoba, something that the Conservative Government of the Day said it would be.

We knew it would not be in the best interests of consumers of energy, something that the Conservative administration and the Governments of the Day said it would be. We knew that it was more a sham and a political con job than it was an honest attempt to try to bring some relief to those peoples that the Conservative Government of the Day indicated it would bring relief to.

I went back through the Hansard, the written history of the Debates of the Day, and pulled out some words I think are quite illustrative and somewhat informative as to how that Bill was perceived, at least by Members of the New Democratic Party Caucus of the Day. Earlier when the Member for Thompson (Mr. Ashton) was speaking we were suggesting that perhaps we had a premonition of all that would be wrong with this Bill. It was not a premonition, I have to take that back. There was nothing supernatural about it. It was just a matter of applying logic and analysis to the policy that was contained within the Bill, and also at the same time trying to interpret the motivations behind the Bill.

This Bill of the Day, Bill No. 60, in 1979 was called, by the Energy Critic and later the Minister of Energy and Mines, Wilson Parasiuk, the most major outside interference in a Crown corporation in the history of Manitoba Hydro. I remember Saul Miller, well, let me rephrase that because I cannot honestly remember the exact words Saul Miller the Member for Seven Oaks said, but in reading back I came across the exact words and I would like to repeat them because while I did not remember them verbatim, they did bring back remembrances of the overall approach of the day.

Mr. Miller called this a Bill of political pizzazz. Now I know the present Member for Seven Oaks (Mr. Minenko) wishes he had such a way with words as to be able to carry on with the fine tradition and the very apt description of Mr. Miller with respect to this Bill. He called it an opportunistic Bill. Others in this House called it a hoax, gimmickry, hucksterism.

An Honourable Member: You, as a matter of fact, were the one that used those terms.

Mr. Cowan: No, actually the Minister of Finance (Mr. Manness) says I was the one who used those terms and I may well have used those terms, but if I did I was not alone. I was with very intelligent, accomplished and learned company because these are comments from individuals like Howard Pawley; individuals like Saul Miller; individuals like Saul Cherniack; individuals like Wilson Parasiuk. All people who have made great contributions to this province and in doing so have shown very clearly that they understand exactly what it was this Conservative Government of the Day in 1979 was up to with this sort of opportunistic manipulation of a Crown corporation. It was unparalleled at that time and unparalleled since that time. Lord help us if we ever see that sort of hucksterism in this province again because it did the citizens no good. As a matter of fact, it did damage to them.

Perhaps the most enlightening description of the Bill came again from, I believe it was Mr. Miller, when he called it a hog-nosed snake Bill.

An Honourable Member: Well, we have those in the Sandhills and Carberry.

Mr. Cowan: Well, the Member for Gladstone (Mrs. Oleson) says they have those in the Sandhills and Carberry, so she knows what it is. Mr. Miller was talking about at the time. It is a snake that sort of puffs its way up to try to make itself look much more damaging and dangerous, impressive than it really is, to the enemy.

I believe Bill No. 60, The Energy Rate Stabilization Act in 1979, was a way by which the Government of the Day, the Lyon administration which had several Ministers in it who now sit in the Filmon administration so there is a connection, it was a way for them to try to puff themselves up and make their policies and their actions look more impressive than they actually were. Not to overlook the fact, Mr. Acting Speaker, that it was indeed a total rejection at the time of their stated policy of non-interference with Crown corporations. They swallowed their principles, had they any in the first instance, to put on a five-year rate freeze which did interfere with the operations of the Crown corporation and, in fact damaged the independence of that Crown corporation, and by doing so denigrated the independence of all Crown corporations.

* (1530)

It was that budget announcement that precipitated the first Energy Rate Stabilization Act. It was a quid pro quo between the Lyon Government and Manitoba Hydro to offset the imposition of a five-year hydro rate freeze. It is interesting because at that time the Conservatives of the Day, through the Minister who introduced the Bill, and speaking on behalf of the Government and outlining Government policy, as well as Government analysis, and therefore should be the one displaying the Government intellect of the Day, said these things about the Bill. He said, and I quote, and this is Mr. Craik speaking.

"I recommend the Bill to the House. It is in the interest of the ratepayer. It brings stability as far as the utility is concerned, and I think everybody recognizes that the utility is in need of a stable operating position in order to best serve the people of Manitoba. This Bill allows the Government to provide that stability in Manitoba Hydro, and if there are further specific questions, we would gladly, gladly answer them," said Mr. Craik in 1979.

I think it is also important to note he said at that time the Government felt, believed, had done an analysis that led them to the conclusion that this Bill would only cost about \$110 million. That would be the cost of it. The fact is they have been proven wrong in every premise they put forward at the time they brought forward this Bill. They have been proven incorrect in almost every one of their assumptions.

I am going to come back to that point a bit later in my speech and tie it in to what is happening today because I think it is important to try to analyze what is happening around us and what may happen in the future from within the context of what has happened in the past. The past, in this particular instance, is one that is very enlightening in that regard.

However, all this turned out to be is what New Democratic Members of the Day said it would be and that is a political gimmick and one that did not work. There were some of us who thought it would work, and there were some of us who thought it would not work. I can tell you the ones who thought it would not work were the ones who were correct. It did not work from a policy perspective, but more importantly to the Conservatives, it did not work from a political perspective.

The interest of the ratepayer was not protected because it was an unworkable approach. The stability of the Crown corporation was not in fact enhanced, but it was damaged because of the way in which this hydro rate freeze ate into the reserves, almost bankrupting the corporation and not providing it with the flexibility to deal with the times we have now encountered where there are unforeseen circumstances, such as drought and low water conditions, which have put additional strains on the Crown corporation.

Perhaps the most definitive area where they were wrong, at least the one that is easiest to categorize because it deals with specific numbers. It did not cost \$110 million, it turns out to be over \$300 million. That is the "happy event" the Member for Lakeside and the Minister of Natural Resources of the present day (Mr. Enns) say transpired. As a matter of fact, I think he—well, actually, no, it was not the Member for Lakeside. I am sorry. The Member for Lakeside did call it a happy event, but who referred to it as the wisdom of the Government of the Day?

Well, it is interesting because it was the present Minister of Finance (Mr. Manness), just a little over a month ago, who termed the whole episode as being indicative of the wisdom of the Government of the Day. While it is true—because wisdom does not always have to be something you possess in this instance I believe the Government did not possess the wisdom they thought they did—but what bothers me about that Bill is the Minister of Finance who is still involved in making decisions that will affect Hydro development in the province of this day, thought that was an appropriate approach just a month ago.

With all of the history available to him, he still thought that was an appropriate approach. Does he not realize the fact it destabilized the Crown corporation? Does he not realize the fact it cost three times what it should have? Does he not realize it was not in the interest of either the ratepayers nor the taxpayers of this province? Well, I believe he is an intelligent man in most instances. I believe he possesses an analytical quality to his intellect. I believe he should be able to look at historical circumstances and draw appropriate conclusions from them, but what it tells me when I read his speech of a month ago, that if in fact he is all of those things, in this instance he has been a very slow learner. He has not learned the lesson that is so easily available to anyone who takes the time to study what happened then and its impact overall on this province. That is what bothers me most about this Bill that we have before us.

Now we are committed to passing this Bill because we think in fact it does start to undo—or it finishes

the job because we had started to undo it—it finishes the job of undoing what was a very flawed process that had been initiated in 1979.

That brings us up to the present day because, with any luck, Mr. Acting Speaker, I believe we will soon be hearing about a major hydro sale in this province, a major hydro sale that will provide a much needed clean hydro-electric power to Ontario. It will help them stop, at least for a period of time and hopefully forever, construction of nuclear power stations in that province. It is something that we should be proud that we can supply to them and I believe, more importantly, from a very parochial perspective, it will result in the construction of Conawapa. I appreciate that because I remember from 1977-1981 when the Lyon administration was in power in this province, almost weekly when we were in this House, asking them to do something to initiate construction of Limestone, and they would not do it, and it took a New Democratic Party Government to have that construction take place.

Quite frankly -(interjection)- well, the First Minister, the Premier (Mr. Filmon) involves himself in the debate from his seat and I hope that he will take care to listen to the rest of my comments as well because I am going to provide him with some advice, unsolicited as it may be, that I think may be helpful to them if in fact they are able to carry through with this sale and put in place the construction of Conawapa. I would be very pleased to hear his comments, following my own, with respect to either my comments about the lack of logic in the flawed approach of the previous Lyon administration. I am not certain that he was in the Government in 1979, probably not in Cabinet. If he was, he was not in Cabinet.

An Honourable Member: I was elected on October 22, 1979.

Mr. Cowan: October 22, 1979 was his anniversary date of his first election to this House and I can tell him that I believe the Bill went through in June so he missed that happy event, to paraphrase the Minister of Natural Resources of the Day today, the Member for Lakeside (Mr. Enns). I think because of that he may be able to disassociate himself a bit better from that sordid history than can the Minister of Finance (Mr. Manness) who was more intimately involved in developing the policy, and we appreciate that he has a somewhat more advantageous position upon which to review history and to draw conclusions from it.

He is an engineer by trade. I believe him to be a very logical man and I believe him to be able to review history and to, hopefully, when his ideology, as wrongheaded as it may be, as right wing as it may be, and as outdated as it may be, does not get in his road to come up with some good approaches. He is not an all bad Premier, made better by a minority Government situation.

So, I do not want to get any more enthusiastic in my compliments to the Premier (Mr. Filmon) but to say to him, having opened this door of generosity and well-feelings toward each other, I hope he will listen to my comments and take them to heart, not that he has done so much of that in the past. However, there is

always hope that he is not a slow learner like the Minister of Finance and can come quickly to grasp with the situation at hand and move forward in a progressive, positive and forceful way that indeed will bring us to a new day in this province. I have my doubts, but I make that point only because I would wish it to happen that way and if it were to come about I would want to be able to say that I was the one who motivated him to such great action.

However, the difficulty with the situation we have before us today, from the Government's perspective, I believe, is that this sale may actually result in the construction of the Conawapa generating station. I say that because I have watched the Government over the past little while and I have observed the difficult position in which they find themselves, in their reluctance to say anything about this deal, their ambivalence about stating what a good deal it should be for Manitoba and how important it is that we have continued Hydro construction in this province.

* (1540)

(Mr. Speaker in the Chair)

We know, from listening, watching and analyzing the Government of the Day, that instead of being joyous about the possibility of the early construction of the Conawapa station, they are hesitant, and what is more concerning to me is they appear to be wavering from time to time. There is a bit of vacillation there, but now a tremble that could well turn into a wobble, and disrail this whole deal if some of the Members of that Government, who have consistently and constantly been anti-development of hydro in this province have their way. It comes out in all sorts of different ways, as well. As I say, they are not joyous, but they are hesitant, wavering. They are not confident, they appear nervous about it. They are not eager, which I think they should be, but they appear to be reluctant.

At the very best, Mr. Speaker, they are ambivalent and it is a position that Liberals are more prone to find themselves in than Conservatives, but it must be attacked whenever it is found to be the case. They have good cause to be ambivalent. I do not condone it, but I try to understand it. That ambivalence, I believe, logically falls on the heels of inconsistency and I think if there is anything that confronts the Conservative Government of the Day with respect to the possible construction of Conawapa and the sale of hydro-electric power to Ontario in the way in which it has been structured, is the inconsistency of the actions of the day with the historical ideology of the Party.

They are not eager, joyous, confident, but they are embarrassed about the upcoming sale and the construction of Conawapa because it is a clear repudiation of their long-standing approach to Hydro development in this province. It is a 180 degree turn from what they have stood for in the past; it is a rejection of that approach of generations of Manitoba Conservatives with respect to their energy policy and Hydro development policy of the past; it is a reflection on their wrongheaded, ill-conceived policy of so many generations.

An Honourable Member: Why do you say something that is so easily repudiated?

Mr. Cowan: Well, the Premier (Mr. Filmon) says, from his seat—

An Honourable Member: From the safety of his seat.

Mr. Cowan: —that I say something that is so easily repudiated. Well, he is becoming a master at repudiation. He has repudiated the policies of his predecessors. You know, Mr. Speaker, I am not so certain that it does not bring to mind the concept of flip-flopping. What we probably have before us is a several billion dollar flip-flop in Conservative energy policy. That unto itself, that hesitancy that results from the embarrassment which results from the repudiation which results from the awareness that they had been wrong so much in the past, is dangerous. It is dangerous. That danger is compounded by a Liberal Caucus that is opposed to Hydro development as well. That is what makes me most nervous—

An Honourable Member: Lemonstone.

Mr. Cowan: About what is happening here in this province today.

The Member for Thompson (Mr. Ashton) in his speech referenced the comments of the Leader of the Liberal Party (Mrs. Carstairs) during the last election, in Thompson when she referred to Limestone as Lemonstone. She outlined an approach to Hydro development that if they were allowed to have their way by any means of becoming Government in this province, would totally destroy so much we had worked for, for so many years and would destroy any efforts on the part of the new found Hydro development consortium, the Conservative Caucus, that may well be underway now.

An Honourable Member: Well, there is nothing like the enthusiasm of a convert.

Mr. Cowan: Well, the Member for Thompson (Mr. Ashton) says there is nothing like the enthusiasm of a convert, and into my mind jumps the image of a newborn constructionist. Yes indeed. However what bothers me is that approach and that policy on the part of the Liberals who would see Hydro development in this province stop dead in its tracks. That is not something I conjure up out of the air as an unconstructive criticism of them. That is a reflection, accurate, of what their Leader told us would be their policy in Government if they were to be elected. That policy does not only rest with the present Leader, it goes way back to previous Leaders of the Liberal Party who had a very much similar approach to stopping Hydro development in this province. It is a historical opposition. It is not just an opposition of one Member. It is one that is finally grounded in the historical philosophy of that particular Party.

I say that because I have seen how the Conservatives have come so far in so little time that I believe there is hope for the Liberals. I am less optimistic, because

I have seen the movement on the other side, and I have yet to see any indication of movement from Members to my right, the Liberal Caucus. The fact is, having seen such a dramatic change on this position of the Conservatives, maybe it is hope. But I believe it may be more of an expectation, one that will not be unfulfilled hopefully, that others can change and see the error of their ways as well.

I want to use this opportunity, Mr. Speaker, not only to criticize the Government and to criticize the Liberals. I want to use this opportunity to—well, not so much as to only criticize the Conservative Government of 10 years ago but I want to use it more to encourage the Conservative Government of today.

I say to them, and I say sincerely, do not be embarrassed by the fact that you have changed your position so radically. Do not be embarrassed by the fact that you were so wrong in the past. Do not be embarrassed by your words of the past which reflect poorly on you. Take not shame out of what you have done in the past, because I believe you honestly, although inappropriately and wrongly believed what you were doing to be the right course of action. I want to encourage them not to be so caught up in their own history that they cannot continue the progress and the momentum they have made to date.

I believe they have come a long way, but they have yet a long way to travel. I would also encourage them—no, to go further than that, to warn them not to listen to the Liberals when they put forward Hydro policy that would see Hydro development stopped in this province; when they would see fine construction projects such as Limestone referred to as Lemonstone; when they would see all of the loss of the opportunity that flows with construction of generating stations in this province.

* (1550)

The bottom line is the Conservatives have come some distance. We all recognize that to be the case, some of us appreciate that to be the case, others like the Liberals may be more concerned about that. They have lost some bedfellows with respect to their own Hydro policy and they must be feeling somewhat alienated right now, and alone. I believe they too can take change to heart once they have seen the error of their previous positions.

What is interesting, they have come such distance the Conservatives, that today in a minority Government situation they are closer with respect to what they are doing to long-standing NDP policy than they are to long-standing Conservative policy. That tells me there is some value in minority Government. That tells me that as Members of this Legislature in a minority situation we can have influence, we can change the Government's mind, we can make them a more sensitive, a more intelligent and a more caring Government.

That is what we try to do day by day in our work here and outside of this Chamber in our work with our constituents. We are oftentimes critical of the Government because we believe that criticism is due. But there are times when we support the Government

as well, because we believe that our influence over them and on them and with them has resulted in changes in their policy and their program that benefit Manitobans.

While they have a long distance yet to go, we do believe that from whence they have come have brought them closer to us and for that reason we will provide them with support for this particular Bill. I know that comes as a great relief to the Minister of Finance (Mr. Manness), but the great relief is not that it is the end of my comments, but perhaps only an embarkment onto a different area. The fact is, when my comments are finished we will be supporting the Minister in this effort to undo that which previous administrations, Conservative administrations I should clarify, have done so poorly.

Before doing that I want to give the Minister some advice, because they have moved far, but they are not yet to where I would hope they would be in order to have the appropriate policy in place. There is some urgency to the advice that I am going to give him, at least some sense of urgency on my part because it has taken him so long to get where they are today that I am worried that within the short time frame we are now working they cannot cover the rest of the distance if the Ontario deal is as done a deal as we believe it is at the present time.

There are still some more of their long-standing policies they should repudiate, to cast aside. There are still some more of their long-standing approaches that do not work in today's environment.

I am going to make a series of recommendations and provide some unsolicited advice as I said I would earlier. I do expect the Premier (Mr. Filmon) will respond to this. I note he has been listening with great interest and has been quite intent on responding to some of the things I have said from my seat. I hope he will take this opportunity when I sit down in just a few moments to do so from his feet in this House.

So that they are clearly a matter of the record, so his thoughts are incorporated into the great momentous debate that is before us on this historic occasion, so that when people go back years from now to read the record of how this change in policy came to be on the part of this administration, he can take some credit for it by his words today before this Assembly. He can clarify how it is they have moved so far and give some indication of where yet it is he thinks they should be proceeding in order to accomplish the overall objectives of all of us, which is to see Hydro development in this province take place in an orderly fashion that provides benefits to all Manitobans and particularly to Northerners which takes me right into the area where I want to mention some specifics. I hope to be finished in a few moments and we can proceed to hear the Premier.

I believe the Conservative Government has come some way in repudiating their criticism before of the preferential hiring clauses that were incorporated into the Nelson-Burntwood Agreement by the previous administration. You will remember that when we brought that policy forward the Conservatives were quick to criticize it. I remember the Member for Radisson—Mr.

Kovnats—of the day, saying that he believed in preferential hiring, but he thought perhaps we had gone too far, that -(interjection)- I believe, I may stand corrected—I am asked by the Member for Wolseley (Mr. Taylor) what constituency he represented. I believe Mr. Kovnats did represent Radisson first, and Niakwa second. I thank him for that correction. It takes nothing away from the fact that this was the man who, in his heart, was a true Liberal, and wanted to have it both ways. However, in this instance he wanted to have it both ways as well. He wanted to have preferential hiring, but he did not want it to go too far.

I remember very well what the candidate in Thompson, in the last election and the previous election, said about the preferential hiring clauses of the New Democratic Party Government. This was a man who was supported by the Premier of the Day and his colleagues, a person that we assume was speaking on behalf of the Conservative Party when he made those comments in one of the seats that was most affected by preferential hiring clauses, and he was opposed to them.

What we have seen happen since that time is they have ignored the advice that was given to them by the Member for Niakwa, Mr. Kovnats, and by the candidate for Thompson, and they have renegotiated the Burntwood Nelson Collective Agreement, and it is my understanding that they have left in place, in its entirety, just as it was, the clauses which we had put in which brought about that policy and gave, in effect, life to that overall policy.

They have learned a bit, but I would tell them what they did not learn from the lessons of the past, and it is something that took us a while to learn, because no one comes into this Chamber or into this business with all encompassing wisdom and never makes any mistakes. The mistake we made when we were developing that agreement in the first place was we did not have adequate consultation with some of the groups that represented people who would be most affected by any preferential hiring clause. I can tell you, had we had the opportunity to renegotiate that agreement again, we would have had more direct involvement, and they did not have that direct involvement. I believe that they, in essence, missed an opportunity there. They have accomplished some, but there is much more yet for them to do in that area.

I also believe they have taken the wrong approach, and I am diametrically opposed to what they have done with the Limestone Training and Employment Agency by moving it to The Pas from Thompson. I am not the only one who is opposed. In essence, what they have done is dismantled it and I am not—or at least they have made it ineffective. It was an innovative program that provided much flexibility, that was designed to meet some very special and specific circumstances that had not been met in the past by the institutions that have been around for so long.

The fact is, Mr. Speaker, that flexibility produced results, and the fact is they have reinstitutionalized the process and they have denied that flexibility. I am not the only one who is saying that. People who worked for the training agency have left the agency in disgust

over what this Government has done to a system that was working, that could have been made better, that should have been made better, but has been made worse by this Government's actions.

I also believe this Government has not fully analyzed the effect of free trade on preferential hiring and preferential buying clauses that should be incorporated into the new Conawapa contracts, whatever they may be. We will use our minority Government to make that point again and again.

Mr. Speaker, my time is short, I am going to make three more points which I will elaborate upon in other debates. I believe work has to be done with respect to land claims, particularly with respect to the transmission lines. I believe the environmental impacts of that transmission line must be fully considered, and I believe that they must, while they are doing this, determine how they can serve even more northern communities, such as Shamattawa, such as Ilford and Pikwitonei, with hydro power that we all take for granted. We will be using our minority position to encourage the Government to take even one step further than they have come to make those things a reality. Thank you.

Mr. Speaker: The Honourable Minister of Finance will be closing debate.

* (1600)

Hon. Clayton Manness (Minister of Finance): I enjoy always listening to the inspiring speech put forward by the Member for Churchill (Mr. Cowan). I am tempted almost to take up the challenge and try to dispute some of the revisionist history that was put on the record. Indeed, I know there are many Members of this side, probably, who would love to rise and engage themselves in debate, because they would have just cause.

What we have had here over the last 20 or 30 minutes, which seems much longer, I might add, was an effort by the Member to try and again revise a lot of the history. Indeed, I have read the journals too, with respect to the introduction and the passing of the legislation during 1979 that brought into place The Energy Rate Stabilization Act. I might say that there were certain Members of the NDP of the Day who had some rather kind things to say about the policy, and, yes, there were other Members who used a long list of adjectives to describe the feat.

Nevertheless, I will not today, as I rise in closing second reading, debate why ERSA was introduced, other than to say that the Government of the Day, in my view, tried to save, harm less the ratepayers of Hydro from the vicious attack, of course, of poor borrowing decisions of the NDP of the Schreyer years. That is all they were attempting to do. The Member says there were great politics steeped in the decision by the Lyon Government of the Day, well, of course, when the Government of the Day was trying to save the ratepayers from the vicious attack of international money markets. Because the Government, the Schreyer Government, in its pursuit of building Hydro dams at all cost, and realizing they could not borrow money in

Canada, and realizing they could not borrow money in U.S. dollars, found themselves into non-North American currencies.

I do not blame the NDP of the Day the fact the Canadian dollar began to fall, I do not blame the NDP of the Day the fact interest rates could be seen in 1979 to begin to increase rather substantially, but neither do I blame the Lyon Government of the Day for bringing in legislation that attempted to try and safeguard the ratepayers of Manitoba Hydro. Revisionist history is always 20-20, but let me say, in respect of the former Lyon Government, they brought legislation in in which they believed, and which I say, 10 years ago had we been part of it, probably we would have supported it at the time also. Certainly, I would have, knowing then what was about to come with respect to interest rates and the Canadian dollar, which directed tremendous vulnerability to our total indebtedness.

Mr. Speaker, let me say, to date roughly \$250 million or \$260 million has been set aside by various Governments, the NDP Governments included, in support of offsetting the losses associated with borrowing in foreign currencies; \$250 million has been put forth by the taxpayers of this country in support of the energy freeze. What has never been brought, so far, into the discussion, and I have not seen the analysis, is to what degree ratepayers would be saved, and what effect that would have on rates today. What rates would exist today in the hydro rate base if ERSA had not been brought in?

I do not think that analysis has been done and I recommend to those Members who would in their revisionist approach and being so critical of a policy brought in 10 years ago, I would ask that they would do that analysis and try to provide greater balance to their conclusions.

Those are the few remarks that I leave on the record with respect to second reading of Bill No. 53. I welcome all Members to bring forward additional comments or ask additional questions if they so wish during Committee of the Whole when we consider this Bill.

QUESTION put, MOTION carried.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, if it is the will of the House, I would ask, with leave, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of the following Bills for third reading. There are four: No. 27, The Fiscal Stabilization Fund Act; No. 34, The Loan Act, 1989; No. 53, The Energy Rate Stabilization Amendment Act; and No. 86, The Statute Law Amendment (Taxation) Act, 1989.

Mr. Reg Alcock (Opposition House Leader): I just have a question for the Minister. The order in which he read the Bills is different than the order in which—

HOUSE BUSINESS

Mr. Speaker: The Honourable Minister of Finance, on House Business.

Hon. Clayton Manness (Minister of Finance): Furthermore, Mr. Speaker, I would ask that the Members

allow the Bills to come forward in this order during committee, Bills Nos. 34, 53, 86 and 27, if that is the wish.

Mr. Speaker: Is there leave to move Bills Nos. 34 and 53 into the Committee of the Whole? (Agreed)

It has been moved by the Honourable Minister of Finance (Mr. Manness), seconded by the Honourable Minister of Environment (Mr. Cummings), that Mr. Speaker do now leave the Chair and the House resolve itself into Committee a of the Whole.

MOTION presented and carried and the House resolved itself into a Committee of the Whole to consider Bills Nos. 34, 53, 86 and 27 with the Honourable Member for Burrows (Mr. Chornopyski) in the Chair.

COMMITTEE OF THE WHOLE

BILL NO. 34—THE LOAN ACT, 1989

Mr. Chairman (William Chornopyski): The Committee of the Whole will come to order. The Bill under consideration is Bill No. 34, The Loan Act, 1989. Does the Honourable Minister of Finance have an opening statement?

* (1610)

Hon. Clayton Manness (Minister of Finance): Mr. Chairman, I do not. As Members opposite can see, there are some Ministers, through no fault of their own, who cannot be here today. I will undertake to provide answers to the extent that I can. If there is any detailed information requested outside of what I can provide, certainly we will undertake to provide answers to questions posed.

Mr. Mark Minenko (Seven Oaks): I do not think there is much need then to have any introductory remarks from our side. I would perhaps then like to ask the Minister of Finance (Mr. Manness) some questions with respect to this legislation we have before us, Bill No. 34.

With respect to the Business Support portion of this Bill, I am just wondering whether the Minister could advise us as to how the Vision Capital Fund is to be divided. Is it to be divided to various portions dealing with some of the programs and as announced in the throne speech? What are those divisions as to the amounts for various programs that they are announcing under the Vision Capital Fund?

Mr. Manness: Mr. Chairman, the program as envisaged will attempt to provide funds not quite as specifically as laid out within the budget, but certainly will be directed purely to the development of new businesses.

I must indicate to the Member opposite, it seems to me that within the Budget Address I had indicated there would be two portions, two sides to the program. That is a final aspect that is being worked on right at this point in time. The rest of the program is in place and is waiting support of this House.

Mr. Minenko: Perhaps the Minister can then advise me as to how much of the \$30 million or the \$50 million in the Industrial Opportunities Program or the \$2 million in the Manufacturers' Adaptation Program is going to be placed into what they call the Manitoba Business Start Program pursuant to Subsection 12(1) and following of the legislation.

Is it indeed going to be the \$5 million or is this going to be some portion less? Seeing that in Subsection 12(2), you say that it "shall not exceed \$5,000,000," and seeing that this Government has delayed already six months the introduction of this program from the time they announced it in the throne speech, I want to get some assurances from this Government as to what the amount will be for the Business Start Program, out of the three funds that are set out here in the legislation in Schedule A. How much of that is going to be in the Business Start Program?

Mr. Manness: Today, we come before the Legislature seeking an authority within this area of, I am led to believe, \$30 million. The industrial—just if I can have one second. Mr. Chairman, today we are seeking \$30 million—I guess the answers I would have would be more specific to the \$30 million Vision Capital Fund. There are specific questions dealing with the Industrial Opportunities Program or the Manufacturing Adaptation Program. I can tell you that the amounts requested are extensions to the existing programs and represent in no way any overlap between the three, and no significant changes to either the industrial opportunities or the Manufacturing Adaptation Programs. They are to be continued as they have been in place for some period of time.

Mr. Minenko: How much of the Vision Capital Fund does the Government intend to place and make available for Manitobans as part of the Business Start Program? What exact figure are we looking at, seeing that Subsection 12(2) says, shall not exceed 5 million? That allows the Government to introduce this Business Start Program for which, I may add, many people are waiting for its introduction across this province. The Government may only put a dollar into the program, or it may put \$5 million.

My question then to the Finance Minister is, what dollar amount is the Government placing from the \$30 million into the Business Start Program?

Mr. Manness: Somewhere in this volume, I will be able to specifically answer that. That is Subsection 12(2). Let me say there is no funding under the Vision Capital Fund that is being directed toward the Business Start, that there is no impact. The Vision Capital is purely a program of its own, as is the Business Start Program—two different programs.

The Member references to 12(2). Let me indicate this provides the maximum possible obligations of the Government arising under Business Start shall not exceed \$5 million, as the Member points out. Let me also point out there will be no cross subsidization from one program to the other.

The Business Start Program is referred to in Section 10, I am led to believe. I will leave it there, Mr. Chairman.

Mr. Minenko: All right. So if I understand it correctly, the Vision Capital Fund is something completely separate from the Business Start program. Because the figure that is granted here is a very loose figure, it does not say exactly what the intention of the Government is, can the Minister of Finance advise us as to what amount of money the Government intends to place into the Business Start Program as part of this Act? What amount are you looking at? Is there a ceiling you are looking at?

Mr. Maness: We are coming before the Legislature today seeking \$30 million to be directed toward the Vision Capital Fund, the Business Support. All of the various programs shown within Schedule "A"—of which only one part we are seeking loan authority for today—all are under the headline Business Support. We today though are coming for a loan authority for \$30 million for one of those programs, that being the Vision Capital Fund.

Now \$30 million of that, I should indicate that this will flow in two parts. That there is an agreement being struck today—today meaning there is an agreement being struck as between the Government and members from the community who are going to be in control of that fund. The Government is prepared, in the first instance, to direct upwards of \$15 million toward decisions by members from the community who are governing that fund.

Mr. Minenko: I think perhaps we are bouncing back and forth between a couple of different programs. The Business Start Program is supposed to be a loan guarantee program, and it says that—if that is indeed correct from somebody up at the top there. If that is then correct—if you could just sort of hang over your head over to me, or you have a placard? Okay, it says that the Government's obligations under the Business Start Program are not going over \$5 million.

Will the Government assure this House that should Manitobans in the next three and a half months that are left of this fiscal year, make application to this program to the sum of \$5 million? Will the Government in fact honour that obligation up to \$5 million? Or, have they said, well, seeing we are eight months or seven months after we suggested this program and we only have a few months left, are they targeting a smaller amount or are they prepared to accept up to \$5 million obligations to the end of this fiscal year?

Mr. Maness: Mr. Chairman, I will read out specifically two paragraphs I have here that draw some greater clarity with respect to Section 12, and I think will also answer the Member's question.

* (1620)

Section 12 of The Loan Act, 1989, provides authority for loan guarantees under a five year, \$5 million initiative, targeted primarily toward women in rural enterprise. The program will promote and assist with new business starts through retraining, business plan development, and loan guarantees on loans provided through existing lending institutions.

The 1989-90 expenditure Estimates of the Department of Industry, Trade and Tourism including a provision of approximately \$120,000 which provides for programming administrations including costs associated with training and business plan development activities.

Furthermore, let me indicate that we are well aware of the backlog of applicants. We are well aware of the number of people who want us to get on with the program. I can assure Members opposite, as quickly as The Loan Act, 1989 can be passed we will be able to process those applications, and accordingly allow business decisions to flow from there.

Mr. Minenko: Did I hear correctly? Although we are allowing the Minister up to \$5 million for presumably this fiscal year, this Business Start Program is going to continue for five years at \$1 million per year? Is that what I heard from his answer to the previous question?

Mr. Maness: Mr. Chairman, my understanding is that we are seeking no authority for the Business Start Program this year. We have the authority in place under that. What we are seeking is basically the authority for the \$30 million in support of the Vision Capital Fund.

Mr. Minenko: If the Government had the authority to get this Business Start Program going, why are we waiting seven months, or how many months is it since May, the announcement in the throne speech about this program? Why has the Government delayed in putting this program in place then if they already had the authority to get on with this program? Why are they telling people it is the Opposition that is holding up this program? Perhaps the Minister of Finance (Mr. Maness) is mistaken, and if that is the situation, then fine. But if, as the Minister says, the Government already had the authority to put this program in place, why are people who are calling the Minister of Industry, Trade and Tourism (Mr. Ernst) being told that this program is not in place and we are holding it up?

Mr. Maness: I cannot indicate specifically at this point in time what comments have been made to those people who have made application under this Act. I do know, though, that implementation of the program is contingent upon the passing of the 1989 Loan Act.

An Honourable Member: All we know is that there is a problem and you must be to blame.

Mr. Minenko: It seems the First Minister (Mr. Filmon) in his comment from his seat has learned well from perhaps the previous Governments and previous Ministers who said, well, gee, if I cannot get my act together then, I blame it on the Opposition. Then perhaps the—

Some Honourable Members: Oh, oh!

Mr. Chairman: Order.

Mr. Maness: This is to clarify the matter. If the Member wishes to look at section 12 in its entirety, from 12(1)(a)

through (h), he will recognize that these are regulatory enabling provisions, and until The Loan Act is passed, regulations associated with the Business Start Program cannot be enacted. So it is more than just money in the case of the Business Start, indeed it is the regulatory powers that go with that which are included within this Act. Until they are passed, of course, the regulations cannot be put into place.

Surely with respect to the Business Start Program, it is not a money issue so much as it is a regulatory enabling issue that is contained within Bill 34, and that is the difference.

Mr. Minenko: I appreciate the Minister's explanation of that. It appears that seems to be correct; he is nodding his head to the gallery. I would like to perhaps ask the Minister if he could highlight some of the criteria with respect to this program then. People were under the impression that you could not be in business for more than three months in order to qualify for this program. Is that provision still in place?

Mr. Manness: The key elements of the program will be the following: it will be directed at small business, less than 20 employees, and \$2 million in annual sales; all sectors are eligible except insurance, real estate, financial and primary production.

Mr. Chairman, those are some of the main areas. Is the Member now referring to the Business Start Program? (interjection) Well, of course, with a very heavy emphasis on rural businesses and businesses that are conducted by and whose principals are women.

Mr. Minenko: So one of the things people, when they have called me after speaking to the Industry and Trade offices, have said they had heard there was a three-month time limit on it and they were quite concerned about that aspect. Seeing that the Minister has outlined some of the criteria, would he then confirm that indeed there is no time limit for how long a corporation has been operating that would limit people from applying for this program?

If that is not correct, would he then confirm that the Government is prepared to show some flexibility with respect to time limit restrictions as to when people can apply for the program in that people were anticipating and were advised this program would be in place sometime last month, and were setting up their companies and looking to set up companies in accordance with those suggestions from the Government. I am just wondering if the Minister of Finance (Mr. Manness) could comment on that particular criterion that was of some concern to people who have spoken to myself.

Mr. Manness: The Member is asking me details associated with a program that does not draw its loan authority from the Bill before us. That is why I do not have those program details in front of me. I am prepared to answer questions with respect to any of the other items that are drawing their loan authority dollars from this Act. Now I have indicated to him why it is the Business Start Program is referenced at all within Bill

34. That type of detail, it is a fair question of the Minister during his Estimates. Let me say to that end I am prepared to try and provide the information for the Member in due course, but I do not have that with me today. As I said before, the Business Start Program is not seeking dollar authority under Bill 34. So I am not prepared to give him an answer, not that I would not if I had that information with me.

* (1630)

Mr. Minenko: I see this procedure has become a bit of a labour for the Minister of Finance, I think. I can appreciate his position—but certainly I think a piece of legislation that he introduces, he should probably have a good idea as to what some of the criteria would be, especially when they are set out in such a specific manner as part of Section 12(1), but perhaps another day, as he suggests.

Let us direct our attention to the Vision Capital Fund. The Minister hinted at providing money to people and I am just wondering if he could perhaps detail some of the means by which this \$30 million will come into force and how the Government intends to use this Vision Capital Fund.

Mr. Manness: Mr. Chairman, this is an outgrowth of the Small Business Growth Fund. It is no different than Venture Capital programs that exist in a number of jurisdictions in Canada. What we are trying to do by the creation of the Visual Capital Fund is to say to our best business minds in the community as a whole; if we provide some form of funding, can you direct that funding, basis your knowledge, basis your understanding of industry, basis your ability to make decisions that have been profitable? Can you help Government put that money in and provide the best support possible for growing and fledgling companies? That is the principle behind the Vision Capital Fund.

It becomes, in our view, a necessary first step before we were ever to consider something like a Manitoba Stock Savings Plan that would provide some tax relief for investors, Manitoba-located investors, to direct funds into companies. Right now in Manitoba we do not have a large number of growing corporations in the sense that have publicly traded share values. We have some and they are very successful in their own right, but we need more to choose from. This, in our view, is the vehicle that is going to allow some of our smaller companies to give them some additional support which will allow them to lever funds out of financial institutions and consequently put them on more of a stable, but a growth-oriented path.

That is basically the principle behind the Vision Capital Fund, removing it as such from the Department of Industry, Trade and Tourism in Government, but putting greater trust and confidence in the best business people from the community.

Mr. Minenko: It would seem then from the Minister's comments that the Vision Capital Fund that he intends to, presumably in this fiscal year, increase the Small Business Growth Fund which up to date I think has

had a relatively small amount of money in it, a couple of million dollars or something along that line, drawn from both Government sources and private sources, what amount then of the \$30 million will be going directly into the Vision Capital Fund? Does the Minister have a time frame because in a previous answer he suggested \$15 million, something along that line? Can he confirm that the full \$30 million will be placed, and what kind of time frame are we looking at? Is it going to be placed within this fiscal year, or will it be forwarded to the Small Business Growth Fund immediately on passage of this legislation?

Mr. Manness: On the setting up of the Vision Capital Fund, the Small Business Growth Fund will be subsumed. In other words, it will no longer continue to exist. As far as the timing, final stages of discussions and negotiations are occurring at present. It is our view that, hopefully, the money would flow in two parts: \$15 million going in the first instance, and another \$15 million to flow after an evaluation period by Government. Let me indicate, as far as the timing of the flow, the Government would hope that \$15 million would be used up quickly, because that would mean it would be put to use by the firms who need it.

Mr. Minenko: What sort of evaluation system does the Government have in place with respect to the first \$15 million? What kind of time frame are they looking at? Although I appreciate it takes a certain amount of time for any type of program to be evaluated, how does the Government intend to evaluate the success of the first 15 before it places the second 15 million?

Mr. Manness: That evaluation has taken some time—or at least to be able to spell out in clear detail how that evaluation process should come into being it has taken some time in negotiations. Let me indicate that, by necessity, in the end it will be subjective. We will take into account how management of the fund—how successful it has been in directing some certain funds, part of which is Government's and part of which is private sector funding, into certain firms. If the track record is such that employment has been created, that growing, viable firms are in existence, that the fund is profitable in itself, then obviously the additional \$15 million will flow.

It is a number of factors that are going to come into place, not the least of which is the confidence the Government has, not only in the principle, but in the managers of the fund and also into the loss-success ratio with respect to the money that has been invested.

Mr. Minenko: Who then will be on the committee that selects which projects will be awarded the funds the Government will be placing?

Mr. Manness: Mr. Chairman, the Government will not be placing funds. The Government will be moving over \$15 million in the first instance. People from the community, the same approach as on the Small Business Growth Fund, individuals from the community plus one who will invest their expertise in a managerial board who will make recommendations to the fund board, and the Government will have one representative on that board.

* (1640)

Mr. Minenko: Have those people then been selected to date, who would participate from the private sector in administering and awarding funds from this Vision Capital Fund? Have those people been selected, and will the Minister provide us a list with them?

Mr. Manness: Mr. Chairman, I would ask the Minister of Industry and Trade (Mr. Ernst) to provide that list. Today that list is no different than it existed under the Small Business Growth Fund. It is the very same people who existed then. Government will be adding to that list.

Mr. Minenko: Then perhaps I can accept that as an undertaking from the Minister of Finance (Mr. Manness) or the Government to provide us with this list soon. The Minister indicates, I presume, an agreement to that. Very well.

A final question then, will the Government place the \$15 million into the Vision Capital Fund immediately upon passage of this legislation, or are they looking to private industry to also put \$15 million in before the people who will be selecting projects will be able to offer the money to various companies in Manitoba? Is that the criteria? Will the Minister put in a million, waiting for private industry to put in a million? How will that process work?

Mr. Manness: First, Mr. Chairman, it is not the program's mandate that it be matching. Government will most likely be putting in more money than private sector. Let me indicate that \$15 million will not flow as a float. Indeed, I understand that \$5 million will flow firstly, and then after that, only upon successful completion of application by firms coming forward and being accepted by the fund will additional funds be put into place.

Mr. Leonard Evans (Brandon East): Just a couple of questions. On the Vision Capital Fund, I am not quite clear—maybe I do not have the vision—about what this is up to, but it sounds from the Minister's remarks that it is very much like the Venture Capital Program we used to have a year or two ago. This is where you encouraged the small enterprise to set up corporations, and you assisted them by providing some capital, but it was that venture group that carried on from there. I was wondering whether the Minister could explain how this relates to the Venture Capital Program that has been in existence, or was in existence, for a few years.

Mr. Manness: There is a closeness in the concept. What is different, from my understanding, is that Government is going to by way of proxy give its decision-making powers to a board of people from the community, business people from the community, who ultimately will be responsible for deciding which projects are successful in applying for funds, and which are not. I think it is a little further distance than the Venture Capital which was more or less—decisions were made within the department. That will not be the case.

Here the decision as to whether or not a growing firm, hopefully viable in the future, a recipient of funding or not, will be made by a board. Most of which is comprised of individuals from the business community.

Mr. Leonard Evans: The Minister is saying, even though there is a difference, instead of the decisions made within the department by officials decisions will be made by a board outside of Government. Nevertheless the process would then be the same. So we are looking at a version of the Venture Capital Program.

I am wondering whether this fund needs the \$30 million. I gather the \$30 million will not be allocated this year, so why does the Minister come forward asking for so much money? Could they not manage, say, with 10 to begin with.

Mr. Manness: The question is a fair one. I have always been one, when I was in Opposition, who never asked that large amounts of money be set aside to sit there. As a matter of fact, the major part of Bill No. 34 is to rescind the lot of authority that has not been used over the years.

Let me indicate to the Member, it is our expectation given the line-up of businesses that are now already approaching the capital fund, given the belief that it is going to be in place momentarily, that \$30 million may very well flow in short order. I am not saying maybe within this year, but certainly maybe within a year and a half. Given the fact that The Loan Act, there is minority Government situation, seeing it is being considered later and later and later in the fiscal year, it is deemed to be wise that this amount be passed now because of course it may be all called upon within the next 18 months. That is a short term as the Member knows in terms of the history of The Loan Act.

Mr. Leonard Evans: Mr. Chairman, I know some others want to speak this afternoon and make a few other points so I just will be very brief and ask this question or this line of questioning.

How do we know—we do not have the details, or I do not have the details—as to how the fund will be administered. I am particularly concerned about regional development within the province. I am concerned and I hope all Members are concerned about balanced growth within the province to the extent that we can have any impact on it. We could have some impact on it, I would suggest, through these Business Support programs, including the Vision Capital Fund.

I wanted to ask the Minister specifically, can he tell us, are there any criteria, is there any direction given by the Government to the board of this fund saying we want a certain preferential treatment of selected areas in the province that are slower growing or that have more difficulty, that we want to give some additional help or additional consideration to those in communities such as Portage or Brandon or Dauphin or Thompson, or whatever, outside of Winnipeg.

It seems that so much can and does happen in Winnipeg. It is much more difficult, as I am sure the Minister would agree, for business to get going and to

operate outside of Winnipeg. Is there any attempt in this fund to pay attention to the problem facing us and that is the problem of trying somehow or other to enhance development outside of the City of Winnipeg?

Mr. Manness: Mr. Chairman, there certainly is. The Member probably heard me answer the question of the Member for Seven Oaks (Mr. Minenko) when he asked what greater representation there might be on the Venture Capital board. I can indicate to the Member that when we expand that board there will be firstly rural representation. However beyond that point this is a profit motivated Venture Capital Fund. It will not be directed to go somewhere where it might indeed be less profitable but within that, as far as the evaluation process and the determination by Government to fund the next \$15 million, we sense that rural Manitoba, or those portions or towns outside of the City of Winnipeg that have an opportunity to provide some profit to this fund, if they are overlooked I can tell you that then will be a major determining factor as to whether the next \$15 million flows. A combination of rural board members, a combination of looking to make sure that the candidates from all parts of the province have an opportunity to access this fund which will ultimately determine whether the next \$15 million flow.

* (1650)

Mr. Leonard Evans: I do not want to belabour this point because I know the Opposition House Leader wants to speak, and others here, but could not, would not the Government consider at least giving some guidelines. I appreciate what the Minister has said and I am not suggesting that they get into the business of losing money—I am not suggesting that for one minute—but that there could be some guidelines, some formal encouragement to the board, to the fund, to give consideration, that this should be one of the objectives that they should be seeking. Putting it on the table more less formally or by way of a memo or a letter from the Minister to the Vision Capital Fund or indeed the others, that this is one of the objectives of the Government, of the Legislature, that we shall do whatever we can to enhance balanced regional growth within this province. Again I repeat, I am not suggesting that you urge them to lose money by making unprofitable investments. I am not suggesting that. Somehow or other formally get across that point that this is a priority of the Government, of the Legislature.

Mr. Manness: Mr. Chairman, the Member's words are well taken and I am positive that is written into the agreement somewhere, although I have not seen it. I have not been the lead Minister in writing the agreement.

Mr. Reg Alcock (Osborne): Maybe I could just start with a very quick question to the Minister. What is the total authority you are asking for under this Bill?

Mr. Manness: It is spelled out in Schedule A. It is \$328,200.00.

Mr. Alcock: The \$800,000 limit on total borrowing—I guess the concern I have right now is that there has

been discussion about this Bill for a very long time. It comes before the House very late in the Session asking for \$328 million in specific authority for a wide range of very important programs. We have been asked by the Government to facilitate passage of this despite the fact they did not consider it a priority from the day they put it on the Order Paper. We come to the moment agreed upon to discuss it and the Minister is not here to answer questions.

It is becoming a little difficult to reconcile the Government's need or desire to facilitate the business of the House, desire to get things through and into program status as quickly as possible, to meet the needs that are being expressed in the community, when after some negotiation we arrive in the House to discuss this Bill, to discuss some \$300 million in authorization, and the people who are going to be in charge of managing those funds are not even present to answer questions on it.

I guess my question to the Minister right now, who in fairness to this Minister has been gamely trying to provide answers to questions but I think it is reasonable that this side of the House expects to get some detail on the funds that are being requested. Will the Minister be available tomorrow?

Mr. Manness: I cannot answer that. I know the Minister will be back on Friday. Let me indicate however that you know governing must go forward. It is not always easy to have Ministers here, particularly when this item is discussed today.

As Members opposite will know, I made every effort to make sure to try and have this discussed on Monday. That is because I realized a number of Ministers could not be here today and I made every effort to try and take this into committee on Monday so that the Minister would be here.

I am very conscious of the sensitivity of Members in Opposition when the Minister, the hosting Minister, is not in place. I have been in positions and understand what is being considered but I can indicate to the Member opposite, this program is one of which we are extremely proud and the Member and the Minister is fully prepared to bring details of this program, as many details that are wanted because this program is about to be put into place if the Legislature will give it support.

I know the Minister of Industry, Trade and Tourism (Mr. Ernst) will bring forward all those details during his Estimates consideration if it is the wish of the Members opposite.

Mr. Alcock: We indicated last week when we spoke on this Bill that we were anxious to see its passage. We also indicated that we had been in communication with the department for some time trying to secure details of the program so that constituents and others who are interested in beginning new businesses can receive appropriate assistance.

We keep being told by the department, and the department is as of today telling people that the House is stalling the passage of this Bill. I think that is a misrepresentation of reality. The Government has only

called this Bill for debate as a priority Bill once. The discussions that are being suggested about calling this Bill in the Committee of the Whole on Monday did not take place with this Party opposite. I simply would like to have the record clarified to that extent.

Mr. Manness: That is a fair statement. The Liberal Party was not part of those discussions, but let me say that this Bill has been called many more times than once. Now when the Member says it is priority, if priority means the first call he is correct, but it has been called many more times. We have 80 Bills on the Order Paper. We cannot call all of them first. I have indicated that it has had a high ranking of call over the last month and a half, Bill No. 34.

Mr. Jay Cowan (Churchill): I want to make a couple of comments and then ask the Minister for an opinion. Today we have listened to what I consider to be, from my experience in this House—and I believe the Minister would agree, although it is somewhat a criticism of himself—to some very generic and simplistic and general answers to some very detailed questions.

I want to put this process into historical perspective which indicates why it is I am concerned with what is happening here today, why it is I am critical of the Minister, why it is I am critical of his colleagues who are not here, and why it is I am critical of the process.

Firstly, let me state that we are here right now because of co-operation between the Parties. We had another individual of our caucus who wanted to speak today, who did not speak in order to get into committee. We have tried to accommodate the Minister although we have not gotten answers to our questions. We are very conscious of his sensitivity to the fact that the Minister responsible for one of the major components of this Loan Act is not here. The fact is the Minister for Industry, Trade and Tourism (Mr. Ernst) should be here and is not here.

I think that begs another question, and that is why are we here without consultation between the House Leaders to determine which questions are going to be asked so that we can arrange the business of the House in an appropriate manner. I believe that has not been done because the failure of his House Leader to undertake the type of consultations and negotiations, which his Opposition Caucus demanded of us when I was House Leader in this House, and which we did undertake and came to agreements as to when to have Ministers here to answer specific questions.

So the fact is that consultation did not take place, Mr. Chairperson. It is indicative of the failure of that Government to order the business of this House in such a manner as to allow for the speedy passage of Bills and committee meetings through this Legislature. I think that is a fault that has followed this Government since Day One. I make the point because the Government is now trying to hide their own inexperience, their inadequacies, and their own faults behind the mask of accusing Opposition Members of obstructionism. There has been very little obstructionism if any in this House to date.

There has been heated debate and lengthy debate, but there has been far more co-operation than has

been warranted, I believe, by the actions of the Government and far more co-operation than antagonism. I think it is important every opportunity we have to make the point that we are trying to co-operate, but if the Minister does not have his lead Ministers here in order to answer the questions, even our efforts to co-operate—well, he is pointing now. He is pointing, but when did his House Leader come and say, are you going to have any questions with respect to the Industry, Trade and Tourism? How can we answer those questions? When can we schedule this so that they can be answered properly?

That is why this process is falling apart, and I speak from experience as a House Leader. I remember back when he was in Opposition and they made such a big deal about the fact that they could not get answers to certain questions on programs, just like the programs we are talking about today, that they would not allow the passage of this Loan Act, going back historically, the passage of that Loan Act until such a time as they got those answers because they had a responsibility as Opposition Members to ask questions and to receive answers so that they could know what it is they were approving or not approving.

That concern that they had as Opposition is exactly the type of concern that we have as Opposition Members. I ask the Minister if he cannot indicate in fact that we have co-operated to date, and that the failure to get through some of the proceedings today was because his House Leader and he could not get their lead Minister here to give the type of answers that are required for this process to unfold properly.

Mr. Chairman: Order, please. The hour being 5 p.m., and time for Private Members' Hour, committee rise and call in the Speaker.

* (1700)

IN SESSION

Mr. Speaker: The hour being 5 p.m., time for Private Members' Hour. The Honourable Member for Burrows.

COMMITTEE REPORT

Mr. William Chornopyski (Chairman of Committees): Mr. Speaker, the Committee of the Whole has been considering Bill No. 34, The Loan Act, 1989, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Inkster (Mr. Lamoureux), that the report of the Committee of the Whole be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

ORDERS FOR RETURN, ADDRESSES FOR PAPERS REFERRED FOR DEBATE

Mr. Speaker: Orders for Return, Address for Papers referred for debate, on the motion of the Honourable

Member for Churchill (Mr. Cowan), standing in the name of the Honourable Minister of Urban Affairs (Mr. Ducharme). Stand?

Is there leave that this matter remain standing? Leave? (Agreed)

On the motion of the Honourable Member for Osborne (Mr. Alcock), standing in the name of the Honourable Minister of Rural Development (Mr. Penner), who has 14 minutes remaining. Stand?

Is there leave that this matter remain standing - (interjection)- Oh.

Mr. Jay Cowan (Churchill): Perhaps I might have leave to speak on it and allow the—

Mr. Speaker: Is there leave that this matter remain standing in the name of the Honourable Minister of Rural Development? Leave? (Agreed) The Honourable Member for Churchill.

Mr. Cowan: I rise to speak on this matter today because I believe that the information which has been requested is important information that loses its value over time, and the longer it is that that information is denied to us, the more difficult it will be for us to put that information to good use on behalf of the people who elect us to represent them, elect us to speak out on their behalf, and elect us to try to provide from our own experiences and analytical perspectives, advice to the Government and advice to others when dealing with important matters like this.

The goods and services tax is going to have a profound impact on Manitobans. We know that to be the case. There is no doubt whatsoever that the impact itself will be extremely profound, and one which will have a negative impact on so many people who have sent us here to speak out on behalf of them, to speak out on behalf of their objectives and aspirations in life, and to try to make the quality of life better for them rather than worse for them.

The fact is that the goods and services tax is going to do exactly the opposite of what we would want to do if we had the ability to do so. I believe I speak for most Members in this House when I make that particular statement. However, there has been particularly on the part of the Minister of Finance (Mr. Manness) some very serious ambivalence with respect to a goods and services tax.

An Honourable Member: Waffling.

Mr. Cowan: Well, the Member for Dauphin (Mr. Plohman) quite accurately described it as waffling. In fact, he has waffled back and forth over a period of time, although he seems to be finding his rut now. He seems to have gone onto both sides of the ditch which he had dug himself, and he is now sort of finding the spot that is most comfortable.

Even that new spot that he has found, and I am certain he found that via some encouragement by the First Minister (Mr. Filmon) and some of his other

colleagues, again the Member for Dauphin (Mr. Plozman) helps me by suggesting that perhaps the Minister of Finance (Mr. Manness) was taken to the woodshed when he first indicated qualified, but not seriously qualified support for the consumption tax and the goods and services tax, as put forward by the federal Government. I make that point because I believe he has taken the position, his new found position, as a result of that trip to the woodshed and as a result of encouragement from his colleagues, and it may not be one that he embraces unequivocally.

If he does not embrace it unequivocally, if he does not believe in what he is saying to the extent that he should, there should be cause for concern on the part of all Members of this House, including his own colleagues. If that is the case then, I believe we have to make the strongest argument possible, an even stronger argument than we would if we had the Minister of Finance (Mr. Manness) unequivocally on our side against the goods and services tax.

In order to do that, we have to have access to information that is available to the Minister of Finance but is not yet available to us. I say that not to be critical of the Minister of Finance but to encourage him to be more forthcoming and forthright in the provision of information, whatever that information might be that is available to him that may help us in our collective fight against the goods and services tax, even if he does not share the enthusiasm that we have to fight against that unfair taxation of Manitobans.

Even if he does not like what we are doing, I believe he has a collective responsibility to assist us in doing it because it is the policy somewhat, as close as that Government comes to a definitive policy statement. It is the policy somewhat of that Government and it is one that we believe should be supported.

As we have indicated on so many occasions before, they are in a minority Government situation and when we believe them to be taking the right action, or at least even moving in the right direction, we are prepared to support them. In order to support them in this instance, we need information that is not yet available to us and has been requested.

Let me tell you why that information is important, because it will provide us with a detailed analysis of what the goods and services tax will mean to so many of our constituents and to those people who have sent us to this august Chamber to speak out on their behalf. The more informed we are, the more forceful our arguments. The more informed we are, the more logical our Opposition. The more informed we are, the more chance we have of successfully dissuading the Conservative federal Government of this ill-conceived wrong-headed approach to try to fight the deficit on the backs of ordinary Canadians.

As the New Democratic Caucus we are diametrically, unequivocally opposed to what the Conservatives in Ottawa are attempting to do with this goods and services tax. We have outlined the other approaches with respect to taxation on corporations and taxation on profit, which we believe would be a much better way to try to raise the money that is required for

necessary services and goods that the Government provides to its citizens.

* (1710)

It is interesting that yesterday, when I asked the Minister of Housing (Mr. Ducharme) for a copy of some material which he had given to him with respect to the effect of the goods and services tax on housing market sectors, he gladly agreed to give it to me. As a matter of fact, I have to say, he gladly agreed to give it to me, and he now says it is already in the mail. It is in my caucus office and he is here to help me, and the cheque is in the mail. No, I believe him. I believe it is in my caucus office. I do believe him.

I am actually paying the Minister of Housing a compliment which I wish he would share with the Minister of Finance (Mr. Manness) so that the Minister of Finance would undertake to do the same thing for Members of this House that the Minister of Housing so quickly agreed to do, and I am told so quickly accomplished, and I believe that to be the case.

If the Minister of Housing can provide that information, it was a fairly lengthy book. There was a lot of detail there, and I know it took some time to copy it. If he can provide it that fast and that willingly, why is it that the Minister of Finance cannot provide it? Well, that tells me that the Minister of Finance may be still somewhat reluctant to undertake a full-scale battle against the goods and services tax, which he found himself wedded to very early in the process.

Earlier we talked about how far they had come with respect to their hydro policy, how they had seen the error of their previous ways, and how they were finally coming around. The fact is that I think the Minister of Finance, having done that, having already conditioned himself and sensitized himself to repudiation, and the fact is that the world did not fall down around him and that the Government did not fall, he did not fade away. The fact is that he has once repudiated some very serious policy that he has stood by for so many years, it should be easy for him now to fully and unconditionally and unequivocally repudiate his earlier comments on the goods and services tax.

The way he can prove to us that he has in fact changed his mind and come into line with that which was read to him in the woodshed by the First Minister (Mr. Filmon) is to freely and quickly provide the information which is requested in this Address for Papers to Members of this House, so that we can accelerate a battle against what is becoming even more so a problem for all Manitobans and all Canadians.

You know, Manitoba could be in the forefront of fighting this unfair tax, and I believe it could also go one step further and be in the forefront of changing the tax system through genuine tax reform to provide for a more equitable sharing of the cost of running a country through greater taxation on corporations, and less taxation on individuals, through greater taxation on profits and less taxation on wages, and that we have that opportunity in this minority Government situation to take some positive action, but it will require a more aggressive approach on the part of the Minister

of Finance (Mr. Manness). It will require him to come forward with these papers.

I believe that the time we are spending in debating this specific Address for Papers could be better spent in attacking from an informed position, in an aggressive way, the goods and services tax, not only in this House, but in the coffee shops, in the plants, in the factories, in the offices, in homes, and in the streets around this province so as to ensure that the Conservative Government in Ottawa does not impose upon Manitobans and Canadians another hardship, which is only there because of their lack of courage to undertake real tax reform that would shift the burden from individuals to corporations, and from wages to profits.

An Honourable Member: What about injured workers?

Mr. Cowan: Well, the Member for Portage (Mr. Connery), from his seat, asks about injured workers. One of the things we would want to know is what effect is this goods and services tax going to have on injured workers?

I can tell you, Mr. Speaker, that it is going to have an effect on their health care because the goods and services tax will have a profound effect on the costs of health care, not only in this province, but across this country. We know that the health care system now is under siege, and we believe that any further additional costs that cannot be accounted for in a rational way will drive that system further into an area where damage might be done to it by overreaction by right-wing politicians, such as the Minister of Consumer and Corporate Affairs (Mr. Connery) and his colleagues.

We do not want to see them in the position of having to further erode our health care system because of increased costs because of the goods and services tax, which will have an effect on injured workers who need a fully functioning comprehensive health care system available to them so that not only can their immediate injury be treated, but their rehabilitation can be accommodated for in a cost-effective way, because we know rehabilitation is the way one should be going with respect to injured workers.

The question that we then ask, and I digress a bit and I thank the Member for Portage (Mr. Connery) for focusing me in on this particular issue, the question is: What impact would the goods and services tax have on rehabilitation services? What will it cost more to provide rehabilitation services as a result of this tax?

If it costs more to provide rehabilitation services to injured workers as a result of this tax, is that Government going to put more money through the Workers Compensation system through increased assessments in order to accommodate the increased costs so that, at the very least, injured workers can maintain the same level of care which they now have today? That is an important question that will go unanswered until we have the type of information that is being requested in this Address for Papers, the type of analysis that we believe is important in fully understanding all the effects.

I have not digressed in a light-hearted way to answer the question for the Member for Portage (Mr. Connery)

which he presented from his seat, because I think it is an important question. However, I believe it is one of thousands of important questions that need to be answered about the goods and services tax. It is one of many issues that need to be analyzed. It is not the least important nor the most important issue, but it is an issue that is equal to all the other issues with respect to our lack of knowledge as to what will happen when the goods and services tax comes into place, and then, how the Government will respond to it.

I am imploring the Minister of Finance (Mr. Manness) to do the right thing, to cast aside his doubts about the approach of his Government, and to aggressively provide and quickly provide the type of information which will make us all better equipped and capable to attack this incidious tax that is going to have such a profound impact on all those who send us to this House to represent them. We must stop, as the Member for Thompson (Mr. Ashton) says, this vicious tax, and we must do it by working together. The withholding of information is not what I would call a co-operative effort in working together to solve a very serious problem.

I would ask him to let us put this resolution aside, by having the information provided to us and thereby making it redundant, rather than to listen to more of his ambivalence and wavering on this issue.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. It has been previously agreed that this matter will remain standing in the name of the Honourable Minister of Rural Development (Mr. Penner). The Honourable Member for Brandon East.

Mr. Leonard Evans (Brandon East): Mr. Speaker, I just want to add a few remarks to those eloquent words spoken by my colleague, the Member for Churchill (Mr. Cowan), who very well described the problem facing Manitobans, indeed, all Canadians. What we are talking about here is lack of information that could be of use to Members of this Legislative Assembly, could be of use to the entire population of Manitoba, indeed, of Canada, in helping to fight this devastating tax.

This is a tax that has caused more concern among my constituents, among Manitobans, among Canadians than any other financial move on the part of this Government. The fact is that it is going to be devastating. It is going to hurt the young and the old, it is going to hurt the sick. It is going to hurt the crippled people, it is going to hurt all of us. The Government should be doing everything in its power to provide this data to the Opposition so that we can help, along with other Manitobans, in fighting this terrible tax that is about to come upon us.

The Address for Papers is simply a request for two reports, one prepared by the provincial Deputy Ministers of Finance, and the second prepared by the Conference Board of Canada, and I do not know what is so secretive about this type of information. In fact, it is antidemocratic, Mr. Speaker. It is totally antidemocratic. We talk about freedom, freedom of information. We want freedom of access to Government records, and these are a couple of reports that are not being done

in any secretive way, I trust, not for any one specific Government to make a tax policy change of, it is a general economic review. That is all, a general economic review of the impact of this particular tax.

I would dare say that, if this were the United States, this information would be made available. They seem to have a way of getting documents, paid for by the taxpayers, back to the taxpayers so that the taxpayers could see exactly what was done with the money they are devoting for that particular research purpose. Mr. Speaker, I just wonder if the Minister of Finance (Mr. Manness) does not want these reports to get out because—

An Honourable Member: Why?

* (1720)

Mr. Leonard Evans: Why? Because maybe we will be even more effective in fighting this. I really detect a softness on the part of the Minister of Finance. He is a very nice man, very nice Minister, but I really think he is soft on this matter of GST because—(interjection)—I did not hear you.—(interjection)— Yes, right. Yes, that is right, he tried to cut off The Freedom of Information Act.

Really, I detected in certain reports from the media, statements attributed to this Minister, that he did not think that a sales tax was necessarily unwarranted. He may have some trouble with the goods and services tax, but he was not so sure that maybe some sales tax might be in order, because he felt that the federal Government needed the money. The fact is, Mr. Speaker, I would like to know from the Minister whether he has some alternatives. He says he is against the goods and services tax. If he is against the goods and services tax, I would like him to stand up and tell us, tell the people of Manitoba, just what alternatives does he have to propose?

Is it another sales tax that he wants to come up with? We know where we stand in the New Democratic Party. We said that the corporations of Canada are not paying their fair share; indeed, they are paying less today, proportionally, than they were four or five years ago. It is not fair to the taxpayers of this country, particularly those people who are on low incomes. We have made no bones about what the New Democratic Party would do if it had the opportunity to make these policy changes. Mr. Speaker, where does this Minister stand? I suspect he really is in favour of some kind of a sales tax. If he really wanted us to fight this, however, he should make these reports available to us, and by tabling it here, of course, this would be available to the entire province.

What we need is like an all-Party committee approach on this, as we had with the Meech Lake. The Meech Lake issue seems to be very pressing, the people of Manitoba are very concerned about it. All Parties have stated that they are concerned about it, they want to see changes in the Meech Lake. We came together, we had hearings, and so on.

If this Government was truly opposed to the goods and services tax, I would suggest that, particularly since

it is a minority Government, that it should get together with the other Parties and say all right, we will have an all-Party task force to fight the goods and services tax. When we make these reports, we would make these reports available to the whole Legislature, but we would have this committee sit down and study these reports—the one prepared by the provincial Deputy Ministers of Finance as well as the other one prepared by the Conference Board of Canada.

This particular tax is going to have a devastating effect on our economy. It is going to be inflationary, it is going to increase the cost of living for our people overnight. The seniors are going to find that their standard of living has been reduced. What about all the people on social assistance? Will the social assistance recipients get an increase in their welfare payments to offset the goods and services tax? I do not think so. I doubt it.

I think what is going to happen, because this is a decision that has to be made by this Government by the Minister responsible for social allowances (Mrs. Oleson), and by this Cabinet, to give an allocation to welfare recipients to make up for this. But I do not think it will be forthcoming. So what is going to happen, Mr. Speaker, and I have talked to some people involved in group action with social assistance, the Social Allowance Committee of Manitoba, a coalition of Manitoba, where they are very definitely concerned that when this tax goes into effect and they have to pay out this extra money, that there will be no compensation by way of adjustment of the welfare allowances paid to them.

I think this would be a tragedy, because while I am talking about 22,000 on the provincial rolls, they are among the poorest people that we have financially speaking, including 10,000, 11,000, 12,000 single parents, most of whom are women trying to raise one or two children. This will have a devastating impact on this particular group, but it will have a devastating impact on others, particularly in the low-income category.

I think of those on fixed incomes, and I think of those who are retired, the senior citizens. So it will definitely be inflationary and definitely will reduce the standard of living of our people. I do not have the numbers, but it will take millions of dollars, tens of millions of dollars out of our provincial economy.

That is why I would like to see these reports, because we do not have the data. We would like to get some more concrete information, and here we have high-priced officials, Deputy Ministers, a report. I do not know what they—

An Honourable Member: It is a reasonable request.

Mr. Leonard Evans: It is a reasonable request. I do not know what they paid the Conference Board of Canada, but they have high-priced economists doing the research. We paid for all this. Surely to goodness we should make the maximum use of this information to see just what impact it has on inflation, and through inflation, what impact it has in reducing the standard of living of Manitobans.

Then, in addition to that, we would like to get a more precise measurement of the job loss in this province. I am just thoroughly amazed when the Minister of Finance seems to have been backing off as to one particular high figure which would have meant translated between 15,000 and 20,000 jobs lost in Manitoba, it seemed that he was wanting to —(interjection)— Well, if you take a proportion, you could come up with that figure.

An Honourable Member: Yes, you could.

Mr. Leonard Evans: You could come up with that figure, but the Minister of Finance (Mr. Manness) seemed to be defending Mr. Wilson and the federal Government and was saying, well, it is not really going to be that bad. Job losses really will not nearly be that bad. I just could not believe my ears. I could not believe my eyes when I read that, that the Minister of Finance of Manitoba who purports to oppose the GST, at the same time is sort of down playing the negative impacts of—

An Honourable Member: Why do you think that is?

Mr. Leonard Evans: I do not know. But again if we had these reports, Mr. Speaker, that are being asked for in this Address for Papers and have been denied by the Minister of Finance and by his colleagues, we would have more precise information and maybe we would be speaking more reasonably on it. I think the Minister of Finance (Mr. Manness) thinks I am unreasonable by saying maybe 20,000 unemployed. Give us the information. Give us the statistics so that we can truly sit down—and particularly if we had this all-Party committee, an all-Party task force similar to the Meech Lake Task Force.

As a matter of fact, I would suggest that we take that task force and go around the province as we did with Meech Lake, and you will see the hundreds of Manitobans who will come out and speak up and so on. I would also take these reports in question. I would xerox, I would photocopy parts of and some of the statistics, make them available to community groups so they could have this information as well.

Our Party, the New Democratic Party, did have a task force on the goods and services tax. We went around the province. We went to communities in the North, in the Parkland, Westman, around Winnipeg, and they were well attended. We had people from all walks of life who were absolutely and totally opposed to this tax. They could not understand why the Government was moving the way it is.

Mr. Speaker, I am reminded of the last election. Was this an issue in the last election?

An Honourable Member: No, why not?

* (1730)

Mr. Leonard Evans: No, no one wanted to talk about it. Mr. Mulroney, the federal Conservative Party down played it.

An Honourable Member: Will it be an issue in the next election?

Mr. Leonard Evans: Well, that is a good question—will it be an issue in the next election? You are darn right it will be an issue in the next election.

An Honourable Member: Will it be an issue in the next provincial election?

Mr. Leonard Evans: It could be an issue in the next provincial election, depending on where this Government stands. Frankly, since the election we are told that this is a big problem. Now it was not a problem during the election, but this is a big problem. We have to attend to it, because we have this huge debt, a lot of which incidentally was built up by the present Government in Ottawa, but nevertheless we have this huge debt, billions of dollars worth of debt. Each year there is a big deficit which then adds to the debt, so we have to do something about it.

I would say, what the Government could do about it initially—and it would be dramatic, and that is through the Bank of Canada to lower the rate of interest. The interest rates in this country are killing our exports. They are killing jobs. They are slowing down the economy and they are adding to the debt. This is one of the biggest sources of deficit at the present time. The biggest source of annual deficit is the payments that are made by the federal Government on its current debt, the interest payments they are making on its debt. Surely, if you had a more reasonable interest rate policy, a lower interest rate, then you would take the pressure off right off the bat.

There are other things that I am reminded of that this Government is doing. They are spending billions of dollars on energy—boondoggles around the country which I question very much as to whether those expenditures should be undertaken. Then in turn they are proposing to spend billions of dollars on nuclear submarines. Now, with the rest of the world, with Gorbachev and Bush getting together, and with peace breaking out all over, this Government in Ottawa wants to spend billions of dollars on nuclear submarines. I could not think of anything more ridiculous. We have not heard too much about this recently, but this is the kind of thinking.

There are other areas of spending that have been going on that are not necessary and causing the problems that the Government keeps on reminding us. But I say again, I remind you again, that the biggest increase in per annum of the debt has occurred in the last two years under this Government. As I am reminded by the Member for Churchill (Mr. Cowan), the interest policy has caused interest to add and continue to add to this amount.

Mr. Speaker, I want to urge this Government not only to set up an all-Party to co-operate and set up an all-Party task force on this, so Manitobans can speak loudly and clearly and have the data available in these reports. In fact, I would photocopy parts of the reports and give them to community groups so they could have that, but I would also urge this Government to get on side with the Manitoba Society of Seniors.

The MSOS is now engaged in a massive consumer strike that is going to take place for two days in January

of 1990, two days whereby they are asking Manitobans to refrain from purchasing on those two days. Those two days could, if Manitobans would co-operate and I urge the Government to co-operate. Maybe the Government could do various things to help promote this effort, to make people realize that these two days we are telling Mr. Mulroney and the Government in Ottawa that we will not stand for the goods and services tax. We do not want it. It is going to be devastating and we are showing you our displeasure with it by refraining from consuming on these two days.

I think that could be a very effective way of sending the message to Ottawa to get them to reconsider this whole matter.- (interjection)- Well, for two days the Manitoba Society for Seniors is requesting all Manitobans to refrain from consuming all the items that will be covered by the goods and services tax which, Mr. Speaker, is just about everything that you could imagine.

So, Mr. Speaker, I would urge the Minister to reconsider and make these reports available to the Members.

Mr. Speaker: On the proposed resolution of the Honourable Member for Springfield (Mr. Roch), Resolution No. 26, Rural Post Office Services for the Disabled, the Honourable Member for Springfield.

Mr. Gilles Roch (Springfield): Mr. Speaker, I move, seconded by the Honourable Member for Inkster (Mr. Lamoureux),

WHEREAS Canada Post plans to close or privatize 5,221 small rural post offices; and

WHEREAS access to post office service for the disabled in rural and northern areas is limited and Canada Post's actions will further reduce this service; and

WHEREAS post office closures will result in obvious difficulties for physically disabled Manitobans in rural and northern areas of the province; and

WHEREAS Canada Post has failed to upgrade many existing postal outlets to provide access for the disabled; and

WHEREAS the Legislative Assembly of Manitoba recognizes the need to modify facilities to accommodate the disabled who use public facilities; and

WHEREAS senior citizens and others would also benefit from facility and service accommodations for the physically disabled.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba strongly urge the Canada Post Corporation and the Government of Canada to ensure that rural postal services for the physically disabled be maintained such that they are not required to use generally inaccessible, inconvenient "superboxes" and

BE IT FURTHER RESOLVED that this Assembly strongly urge the federal Minister responsible for Canada Post to direct the corporation to:

(1) require potential private post office operators to meet standards for wheelchair access, road clearances, lock box and counter height, and hours of service;

(2) that already privatized post offices be required to meet standards within a period of time acceptable to the physically handicapped community;

(3) that these standards be defined through negotiations between Canada Post and recognized representatives of the physically disabled community; and

BE IT FURTHER RESOLVED that this Assembly direct the Clerk to forward copies of this resolution to the Prime Minister of Canada and the Minister responsible for the Canada Post Corporation.

MOTION presented.

Mr. Roch: Mr. Speaker, given the fact that the Government of Canada has chosen to close down several small post offices, I think that many of the clauses in this resolution should be looked at very, very carefully. I think this is a very important resolution.

This resolution certainly affects a lot of people. I believe that, if we look at statistics, the percentage of the disabled population with post secondary education is less than one-half of that of the population that is not disabled. Of the disabled, two-thirds of those people earn less than \$20,000 compared with one-half of the persons without disability.

That means that several of the disabled people are in a lower income bracket, are likely to live in rural areas, and are likely to have difficulty having access to existing post offices in some cases, never mind the new ones which are not necessarily going to have the facilities required. One of the clauses that I read in the preamble to the resolution specifically mentioned that access to post office service for the disabled in rural and northern areas is limited, and Canada Post's action will further reduce the service.

It says if the federal Government of Canada has declared some form of war on rural Manitoba in the announcement a lot of these post offices would be closed. What is particularly galling, it is bad enough for the rest of us in rural Manitoba, especially in small remote hamlets, small villages, small communities, where the post office is essentially the hub of the whole community. People go there in the morning to meet each other. It is bad enough for that. We can make do, we do not like it, and it should not happen for anyone, but it is particularly tough for the disabled. They too need to not only pick up their mail, but have a need like everyone else to be able to socialize with other people.

* (1740)

Given the fact that in some of these small communities the post office is the only area of socialization that these people may get, it is unfortunate that they will either be forced to rely on a neighbour to transport them to a neighbouring community to pick up their mail, or else they will have to ask someone to pick up their mail for them and bring it to them when convenient for that person. It is a situation which is grossly unfair. It deprives these people of the ability to have the services they need the same as anyone

else. It takes away from them the ability to go out, to feel part of the community.

I also mentioned in the preamble that post office closures will result in obvious difficulties for physically disabled Manitobans in rural and northern areas of the province. I especially would like to point out that those people who are living in northern parts of the province, in remote areas, will feel it even more.

I mentioned those of us who will find difficulties having post office closures. I mentioned the disabled people who will have difficulties with post office closures in the remote areas in the rural southern part of Manitoba, but in the far northern points where the neighbouring community, the next post office may be several miles, a few hundred miles away, it becomes an inordinate burden.

I also mentioned in the preamble that Canada Post has failed to upgrade many existing postal outlets to provide access for the disabled. Now that is a clear-cut example. I cannot think of any one better, of Government telling other people. For example, you take business in Manitoba, business operators, business people who are setting up a new business, it is required in the building code, and rightfully so, that access for the handicapped be available, or when the renovations are done.

If the Government is not following the guidelines that it insists that other people should have, I think it is a very clear-cut example of the Government talking out of both sides of its mouth when they say that you, Mr. Private Businessman, must provide this service, but we are not going to do it, and yet they are the larger institution.

Ironically enough, the private sector was well ahead of the Government in many cases of providing services and access to the disabled. Now, obviously very old buildings, very old businesses, have been unable to do so, but post offices by and large in the small communities are all one-storey buildings. All that would be needed is a simple reconstruction of the entrance, a simple reconstruction of the driveway, of the sidewalk. It is certainly not only feasible but desirable that the federal Government should renovate the existing post offices they now operate to accommodate the handicapped, the disabled.

I go on to say that the Legislative Assembly of Manitoba recognizes the need to modify facilities to accommodate the disabled who use public facilities. I say that because it is not very long ago that this Assembly, this building indeed, I should say, has provided this access for the handicapped, although in a limited form, again, because of the age of the building. But the fact that the provincial Government has seen fit to do it so, I would take it that there would be unanimous agreement that the federal Government should provide the same accessibility to the disabled in its institutions, the post offices being one of them, especially in those remote areas where their only connection, their only physical symbol of a federal Government presence, is the post office.

I go on to say in that resolution that senior citizens and others would also benefit from the facility in service

accommodations for the physically disabled, and that is quite obvious because senior citizens, as they get on in years, at least some of them, may not necessarily be disabled in the sense of the word that we have become accustomed to. But there is no doubt that as one ages by and large, for most people anyhow, that we do not have the same capabilities our younger people would have.

I think that, for example, we see many senior citizens now in the smaller communities, those who are in a position to be able to use the little motorized wheelchairs—not wheelchairs, but carts, I suppose, would be the more proper type of a word—to do their shopping. If the federal Government, as it should, goes ahead and does indeed construct the appropriate facilities so that the handicapped, the disabled have access, obviously the people using these other types of—I do not know how to call it—carts, I cannot think of the word for it now, it would make their access a lot simpler.

The unfortunate fact of life out in rural Manitoba is that by and large our communities are aging. As the farm population drops, the only people who are living in these small communities are senior citizens.

As time goes on and more and more younger people leave these communities, it becomes clear that there is a responsibility not only on the part of the private operators who should have remained behind to make sure that these citizens are properly served, but also of the federal Government and the provincial Governments where applicable.

Now again as I said earlier, given the fact that the Post Office—getting your mail is not a convenience, we often call it a service. It is a service, but a very necessary service. It is very nice to have a telephone. It is very necessary to have a telephone this day and age. It should not even be considered a privilege; it should be considered a right.

But getting the mail, there are some documentations, some forms of communication which cannot be done by wire and obviously not everybody is going to have a fax machine. They have to rely on the post office. Therefore, it increases the necessity for people, whether they are physically disabled, whether they are senior citizens, whether they have the capabilities, the capacity to be able to go to and from, as other people, to be able to have access to their mail at all times.

Mr. Speaker, in my first part of the resolution I say that "BE IT RESOLVED that the Legislative Assembly of Manitoba strongly urge the Canada Post Corporation and the Government of Canada to ensure that rural postal services for the physically disabled be maintained such that they are not required to use generally inaccessible, inconvenient "superboxes."

Now, I put this in the resolution for a very specific reason. We have seen areas where some of these superboxes have been installed. Many people who have gotten used to either picking up their mail at the local post office, or having it delivered in those urban areas where there is mail delivery, or indeed having mail delivered on the rural routes, have found it inconvenient

to have to go out, especially on a winter day, to these so-called super mailboxes. If people who have no physical handicaps, who are not aged are having difficulties at times, can you imagine what it does for those people who do have physical disabilities, people who are on in years?

Mr. Speaker, I venture to say that in some cases it is physically impossible for them to get their mail. I think that it is a most unfortunate situation when the handicapped person or one of our seniors takes the trouble to leave their residence, has a neighbour drive them to the so-called super mailbox and is unable to get his or her mail. I think that is a shame.

I think these are all considerations which the federal Government should have thought through prior to their going ahead with these plans. Maybe there is hope yet. Maybe it is not too late, but it seems rather doubtful at this time. They seem to be determined to fix the fiscal woes of the Post Office on the backs of those who can least afford to do so. They seem to be picking on rural Manitobans, on the physically disabled, on the seniors. It seems that there is no end to the amount of items they are doing to rural Manitoba.

I would like to go on on several other issues, as has happened in the past, contracts being awarded in the east as opposed to here. One could mention the GST which will hurt us in the so-called hinterland even harder than in the east. One could go on, on many issues that the federal Government has done.

What really, really hits home are the items which affect a person personally. Items, well, when something hits you in the pocketbook it always hurts and hurts hard, but when an item like this, especially if a person let us say is in his late '70s, early '80s, he has lived in the same community all his life, and all of sudden he finds out his Post Office is going to be closed or is indeed closed, can you imagine the effect that has on that person?

* (1750)

Very often, not always, but very often some of our seniors and most of the handicapped are unable to drive, or do not drive, do not have a vehicle, are not able to physically or cannot afford to own a vehicle. So what happens is that they are then, if at all possible, forced to rely on a neighbour to get their mail for them, to bring them to the post office. It is just a most unfair situation.

I go on to say, Mr. Speaker, in the resolution "... that this Assembly strongly urge the federal Minister responsible for Canada Post to direct the corporation to: (1) require potential private post office operators to meet standards for wheelchair access, road clearances, lock box and counter height, and hours of service."

It is obvious why this is in there. This is a requirement which should be imposed because it is a service which is available—I see my time is almost up—to people in the modern post offices and should be equally available to people, those new post offices, the privatized ones. I also say that—well, Mr. Speaker, given the fact that

I am running out of time, let me just reiterate and emphasize the fact that our senior citizens, our physically disabled people are entitled to the same level of service in our post offices as are all other citizens.

I do not think any Member in this Assembly has a quarrel with that. I suspect that if this were passed unanimously and set down by the federal Government, that possibly, just possibly, there would be a glimmer of hope that this most unfortunate, unfair situation could be reversed.

Mr. John Plohman (Dauphin): I am pleased to speak to the resolution dealing with disabled services at rural post offices. I think that this resolution's need comes very much from the problem that has been created as a result of the privatization of post offices by the federal Government. So, I have identified then, Mr. Speaker, what I believe to be the real problem at the post offices, and I will be moving an amendment at the end of my speech to reflect that in this resolution. I alert you to that at this particular time. I only have a very short time before I have to do that.

I find it rather ironic that the Liberal Party in this Legislature has brought in a resolution which identifies a problem which grows out of the real issue which is the privatization of post offices by Canada Post when, in fact, they did not even speak on the resolution dealing with that issue in this House after I introduced it September 1, 1988, just over a year ago.

At the time that we brought it forward, I spoke to that resolution. The Member for Ste. Rose du Lac (Mr. Cummings) spoke and at that time spoke in defence of the federal Government basically in his speech, I was quite appalled to hear. The Member for Flin Flon (Mr. Storie) spoke in support of the resolution. The Liberals did not even have an opinion on it. I think that was extremely unfortunate. It did not go to a vote. It never did get to a vote at that particular time, and the Members of the Liberal Party did not speak in support of it. I hope that they will do better this time. That resolution is indeed on the Order Paper and Resolution No. 7.

However, I think there is an opportunity here, Mr. Speaker, to deal with that problem. In light of the fact that the Member for Springfield (Mr. Roch) has brought in an issue dealing with the rural post office and identifies in the WHEREASes that Canada Post plans to close or privatize 5,221 small rural post offices, it does not say anything about whether the Liberals favour it, or whether they are for it or against it.

As a matter of fact, we would have to wonder at their position because of their silence last year, and also because it was their Liberal federal Government who first moved away from Government control of the postal services, and which lead to the problems that we are facing now as a result of the creation of the Crown corporation, as opposed to the department that originally ran the postal services in this country.

By moving one step away, they made it more difficult to control and therefore ensure that services were equal across this country. They still do have those mechanisms because it is a Crown corporation and they have a

responsibility. I hope that -(interjection)- Mr. Speaker, the Member for Wolseley (Mr. Taylor) says where was I? The fact is Resolution No. 7 was to be introduced by my colleague, the Member for the Interlake (Mr. Uruski).- (interjection)- That is right and that is. I have two others, Mr. Speaker, and these Liberals again are confused; they have not read the Order Paper. They do not even know who is moving resolutions in this House. That shows where they are, they are totally confused. In their confusion I would suggest to them they go out to their caucus room and get the message straight, and then come in and heckle, so they would at least have their story straight.

Mr. Speaker, I want to deal with the issue at hand here. I said that I find it ironic that these Opposition Liberals would not even protest in any way, shape or form in this resolution, the privatization that is taking place across this country, the undercutting of postal services and the quality of services across this province by this federal Government. The actions that their Party, the Liberals, took while in Government, in cutting back at the post office, have given rise to the policies that are taking place now in that Crown corporation. So again, it is very closely related, and I do not believe that they are against those actions. I do not believe they support rural dignity in their fight to save rural post offices in this country. So they have identified what they think is a political issue, and that deals with handicapped access.

Well, I support it, and I know every one of us in this House supports handicapped access to public facilities, and I certainly feel that is a worthwhile endeavour. I deplore the fact that these Opposition Liberals have not identified a position with regard to this privatization, Mr. Speaker. They have not said one word about it. They have not said that this is the real root of the problem for handicapped people, because the further it is removed from Government control, the less opportunity they have to ensure that those handicapped facilities are indeed part of the facilities that are serving the public.

By their silence on this issue, by not opposing this privatization of the postal services and the post offices across the province, they are indeed giving tacit and quiet approval to a policy that is giving rise to the problems that they are now allegedly trying to address in this resolution.

So I say, Mr. Speaker, it is important that we include the root to the problem in this resolution, so therefore, since it is referenced in the WHEREAS, I would suggest to you that it is in order for me to move, seconded by the Member for Thompson (Mr. Ashton), that after the first BE IT RESOLVED, the following be inserted: BE IT FURTHER RESOLVED that this Assembly condemn the federal Government for closing and privatizing post offices across our province and affirm its strong desire that rural post offices continue to be federally owned and operated institutions. Then it goes on to retain the remainder of the results.

I would hope, Mr. Speaker, that the Member for Springfield (Mr. Roch) and his colleagues would accept this as a friendly amendment. No doubt they want to show the position they take on this very important issue.

Mr. Speaker: On the proposed amendment of the Honourable Member for Dauphin, I am having some difficulty at this time because it relates to Resolution No. 7. The Chair will take this matter under advisement and report back to the House. The Honourable Government House Leader.

Hon. James McCrae (Minister of Justice and Attorney General): Rising to speak on this matter, Mr. Speaker, perhaps with only nine seconds remaining, I might talk out the clock and perhaps take my place the next time—

Mr. Speaker: Order, please. When this matter is again before the House, the Honourable Minister will have 14 minutes remaining.

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).